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ABSTRACT

This publication presents the complete text of U.S. Senate bill S. 2657, the Education Amendments of 1976, as amended by the Senate Committee on Labor and Public Welfare. Included in S. 2657 are provisions for extending the Higher Education Act of 1965 and for extending and revising the Vocational Education Act of 1963. In addition to the actual text of S. 2657, this publication also contains a report of the committee's actions and an extensive summary of the final bill as amended and approved by the committee. Also included is a brief statement presenting supplemental views on S. 2657 offered by Senators Beall and Randolph, two members of the committee. (JG)

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94TH CONGRESS } SENATE { REPORT
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EDUCATION AMENDMENTS OF 1976

MAY 14, 1976.—Ordered to be printed under authority of the order of the Senate of May 13, 1976

Mr. PELL, from the Committee on Labor and Public Welfare, submitted the following

REPORT

TOGETHER WITH

SUPPLEMENTAL VIEWS

[To accompany S. 2657]

The Committee on Labor and Public Welfare, to which was referred the bill (S. 2657) to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute, and recommends that the bill as amended do pass.

BACKGROUND OF THE COMMITTEE AMENDMENT

During the 94th Congress, the Committee on Labor and Public Welfare, between March 3, 1975, and May 8, 1975, held four days of hearings which examined and reviewed the vocational education program assistance granted to the States by the Federal government. Between June 10, 1975, and July 30, 1975, the Committee held 10 days of hearings on Federal student assistance programs and other programs of Federal aid to higher education. In addition, the Committee held one day of hearings, on March 5, 1975, on the problem of the rising default rate in the Federally Insured Student Loan Program.

S. 2657 was introduced on November 12, 1975. The Committee amendment is based on the text of S. 2657 and contains modifications thereof which the Committee finds justified in the light of the evidence before it. Many of the modifications are drawn from the related bills considered by the Committee.

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Subcommittee deliberation covered two months during which time the members met on four occasions: Dec. 7, Dec. 10, Jan. 21 and Jan. 22. The Full Committee met in Executive Session on S. 2657 on three days: Mar. 23, 31 and April 6. On April 6, 1976, the bill was voted out of the full committee and ordered reported to the Senate.

BRIEF SUMMARY OF THE COMMITTEE BILL

Preliminary sections of the bill provide for authorizations of appropriations for programs under the Act for the transition quarter involved in the change-over to the new fiscal year and establish general effective dates for the provisions of the bill.

TITLE I—HIGHER EDUCATION

The provisions of the Higher Education Act of 1965 are extended through fiscal year 1982 by the Committee bill, basically at existing authorization levels.

Title I of the Act (Community Services and Continuing Education) is amended to include new programs of postsecondary continuing education and lifelong learning. Title II (College Library Assistance and Library Training and Research) is extended, and a new part C, relating to grants for research libraries, is added.

The Committee bill makes a number of changes in student assistance programs, mainly designed to reduce the default level experienced under the Guaranteed Loan Program. States are encouraged to establish their own loan programs through the possibility of increased Federal reinsurance. The adjusted family income level at which a student is eligible for an interest subsidy is increased from $15,000 to $25,000. In addition, institutions are given administrative payments to allow them to provide students with information concerning financial aid programs and to defray the cost of administering the Basic Grant program and Guaranteed Student Loan Program. The maximum Basic Grant is increased to $1,800. Two new programs are added to the existing TRIO programs (special programs for students from disadvantaged backgrounds)—a new "special focus program" and a program of "service learning centers." In addition, a new subpart to title IV establishes a program of educational outreach centers to provide educational outreach, guidance, counseling, information referral, and placement services for all persons.

The Committee bill repeals the Education Professions Development Act, except for Teacher Corps. It adds a new mechanism for determining national priority areas in which teacher training is needed. The bill also authorizes a new program of Teacher Centers, plus authority for training of higher education personnel and grants for improvement of graduate programs of education.

The other titles of the Higher Education Act are extended virtually unchanged. Technical changes are made in the graduate fellowship programs, and title X-B (Occupational Education) is repealed.

TITLE II—VOCATIONAL EDUCATION

The Committee bill extends existing law concerning Federal assistance to vocational education through fiscal year 1977, then rewrites the legislation for fiscal years 1978 through 1982. The revision simplifies existing law by reducing the paperwork which must be submitted annually by States. A State planning commission would be responsible for developing a long-range plan and an annual program plan, for approval by the State board for vocational education and submission to the Commissioner. If all relevant State agencies certified that they had been given an opportunity to participate in the development of the State's plans, the State board would be responsible for the planning.

Existing categorical authorities are retained in the Committee bill, in substantially simplified form. In addition, new authorities for vocational education project grants to assist in overcoming sex bias and for bilingual vocational training.

TITLE III—EXTENSIONS AND REVISIONS OF OTHER EDUCATION PROGRAMS

Title III of the Committee bill extends the Emergency Insured Student Loan Act of 1969, and provides for an alternative means of determining the special allowance to be added to the lender's interest received under the Guaranteed Loan Program. The title also extends the provisions of titles III and VI of the National Defense Education Act of 1958 and those of the International Education Act of 1966.

In addition, the Committee bill extends the Emergency School Aid Act, adding a new discretionary authority of $100 million, and the Allen J. Ellender Fellowship Program. It also modifies existing maintenance of effort requirements contained in title IV of the Elementary and Secondary Education Act and in the Adult Education Act. It also clarifies the provisions concerning participation on nonpublic schoolchildren in the consolidation under title IV of the Elementary and Secondary Education Act and the participation of children transferred from areas with high concentrations of low-income families in programs for the disadvantaged under title I of that Act. Technical amendments are made to the Women's Educational Equity Act. Finally, the Committee bill establishes the Wayne Morse Chair of Law and Politics at the University of Oregon.

TITLE IV—EDUCATION ADMINISTRATION

The Committee bill reorganizes the Education Division, abolishing the position of Assistant Secretary for Education. In its place, the Committee bill provides for a Commissioner of Education, at a rank equivalent to an undersecretary, to head the Division. The Director of the National Institute of Education and the Administrative Deputy Commissioner, who would be responsible for the day-to-day administration of the Office of Education, would be raised to Executive Level IV.

The Committee bill continues the Fund for Improvement of Postsecondary Education through fiscal year 1982. It also extends the life of the National Institute of Education for that period, reserving 25 percent of its appropriation for support of regional education laboratories and research and demonstration centers.

TITLE V—CAREER DEVELOPMENT AND GUIDANCE AND COUNSELING PROGRAMS

Title V of the Committee bill creates a new and expanded program for implementation of career education programs, through annual State plans for furthering career education, plus informational and clearinghouse functions to be performed by the Commissioner. The program will be carried out through the existing Office of Career Education, and the existing National Advisory Council for Career Education will advise the Commissioner in its implementation.

Part B of title V of the Committee bill creates a new program of guidance and counseling, pursuant to competitive grants and contracts made by the Commissioner of Education through an administrative unit within the Education Division. Such grants or contracts are to improve the professional qualifications of counselors, to provide training for supervisory and technical personnel having responsibilities for guidance and counseling, and to improve supervisory services. Grants may also be made to States to assist them in carrying out programs to coordinate new and existing programs of guidance and counseling.

PROVISIONS OF THE COMMITTEE BILL

Transition Period Authorization

The Committee bill authorizes appropriations of the sums necessary to fund those programs which have 1976 authorizations for the three-month period involved in the transition of the Federal government to a new October-September fiscal year.

Effective Date

The general effective date for the provisions of the Committee bill is 30 days after enactment into law. This should give education officials at the Federal level sufficient time to advise State and local educators of the changes made in existing law.

There are two exceptions to the general effective date. The first is that any specific effective date for any provision supersedes the general date. Specific effective dates are set for several parts of the Committee bill to allow additional time for implementation of changes of far-reaching import. The second exception occurs in the case of sections authorizing appropriations for programs contained in the Act. These sections are made effective on July 1, 1976, in order to assure that no gap in funding authority occurs.

TITLE I—HIGHER EDUCATION

PART A—COMMUNITY SERVICES AND CONTINUING EDUCATION

Extension and Revision of Program

Title I of the Higher Education Act is amended by the Committee bill to extend the authorization of the current community services program, incorporate that program into the wider context of an ongoing continuing education program, and provide a new Federal emphasis on research and development in the area of lifelong learning for all adults.

Section 101 of the revised title broadens the purpose of title I to include the provision of assistance to all persons, regardless of previous education or training, age, sex, handicapping condition, social or ethnic background, or economic circumstances, through the development of a comprehensive program of lifelong learning, including postsecondary continuing education.

Section 102 of the title authorizes appropriation of $40 million for each of the fiscal years 1977 through 1982 for postsecondary continuing education, including the community services program. The section specifically authorizes that 75 percent of the first $20 million appropriated for these purposes be utilized for the current program.

The section also authorizes $40 million for each of the fiscal years 1977 through 1982 for the new lifelong learning program, of which the first $5 million shall be available only for the Federal program of planning, assessment, and coordination of lifelong learning activities, and the second $5 million for the program of assistance to States and public and private agencies, of which 5 percent must be used for education and work programs. The Commissioner may prescribe the uses of any additional appropriation between the two uses, with 2½ percent reserved for education and work projects.

The Committee bill adds a new part B to title I of the Higher Education Act, establishing a general program of support for postsecondary continuing education. This part of the bill adds three new sections to the Act, as follows:

The new section 121 of the Act authorizes grants to States for the development and support of postsecondary continuing education programs, including the replication and expansion of successful programs. In order to qualify for grants, a State must file a supplement to its State plan for community services, in which the State describes its proposed program, designates an agency to administer the program, provides assurances that both public and private institutions will be involved, describes the population that can be expected to benefit, and describes the procedures to be used to select programs and projects for assistance. States with approved plans will receive funds under a formula based on its total adult population, except that no State shall receive less than one-half of one percent of the available funds. Grants are not to exceed two-thirds of the total cost of a State's program.

The new section 122 of the Act authorizes the Commissioner to reserve up to 10 percent of the funds to provide technical assistance to States and institutions, in any year in which the appropriation exceeds $14.5 million. Such assistance shall include the exchange of information about successful projects, assistance with planning and evaluation, and adaptation of methods and techniques. This section also requires coordination between and among other federally funded education programs which impact on continuing education, and requires the establishment of a clearinghouse.

The new section 123 of the Act permits each State to earmark up to 10 percent of its grant for statewide planning for postsecondary continuing education, including a determination of the need for continuing education, a survey of available resources, advice to institutions on how best to meet unmet needs, and preparation of a long-range statewide plan. States which make use of this planning money are required to ensure participation in the planning process of all types of educational institutions in the State, and to coordinate with State planning for vocational and adult education.

The Committee believes that continuing education programs occupy a unique and prominent niche in the higher education process. Very often, they are the only programs with primary concern for the part-time student. In many cases they tend to be almost entirely self-supporting, at least partially because the mature adults involved in the programs tend to take their education or reeducation more seriously than the average college student, and are more goal-oriented in their approach.

In addition, the Committee has found that these programs tend at times to be more student-funded than most programs, because of the bias built into student aid programs toward full-time students. Yet the need for these programs is constantly increasing, and the Committee believes the Federal government has a distinct role in assisting in the growth and development of this vital area of higher education.

Previous Federal commitments to continuing education have all been oriented toward the goal of aiding the community in which the educational institution is located. The Committee believes this continues to be an admirable goal, and urges the continuation of the community services program.

However, the Committee agrees with the recommendation of the National Advisory Council on Extension and Continuing Education that the need for continuing education has outgrown the need for greater involvement of educational institutions in community affairs, and that it is time for continuing education to be encouraged and pursued for its own sake.

The Committee bill also amends title I of the Higher Education Act to add a new part C—National Strategy for Lifelong Learning. This part gives the Commissioner new authority to conduct a variety of activities with regard to the concept of lifelong learning.

Many groups in our society are coming to recognize the benefits of expansion of learning opportunities. Senior citizens, women who wish to enter or reenter the job market, and other workers whose skills are obsolete are among these groups. The tremendous interest in lifelong learning is demonstrated by the great increase in the number of part-time students in this country. According to one report, the number of part-time postsecondary students increased 20.4 percent between 1969 and 1972, while the increase in full-time students was only 8.8 percent.

The Committee believes that the concept of lifelong learning necessarily includes opportunities for preschool children as well as for adults who have not traditionally been a part of the educational system. However, because the Federal government is already engaged in a variety of efforts concerning preschool education, lifelong learning is defined for purposes of the legislation as "programs intended to affect the knowledge, skills, and attitudes of persons who have left the traditionally sequenced educational system."

It is further defined to include both formal and informal educational processes conducted through both traditional educational institutions and a variety of other institutions; and to include, but not be exclusively limited to, such programs as adult education and postsecondary continuing education.

Therefore, the Committee has expressed in the legislation its intent that the Commissioner consider the potential for development of lifelong learning opportunities through the broadest possible range of existing and new institutions, agencies, and organizations, including libraries, museums, and private enterprise.

Through a public hearing and staff studies, the Committee learned of, and was impressed by, the interest of a broad range of the general public in the concept of lifelong learning. This interest was evidenced by the development of a number of different types of programs and mechanisms for providing educational opportunities to persons of all ages and with varying educational goals.

The Committee takes note of a number of Federally supported programs which already offer opportunities to "persons who have left the traditionally sequenced school system." The legislation reported by the Committee aims to build on these existing programs, to attempt to monitor and assess them, and to make recommendations which would assist in the implementation of a coherent lifelong learning policy. The Committee has also directed the Commissioner to undertake and to compile several studies and information which would provide guidance to the Congress in determining how the policy can best be implemented.

Among the programs which the committee expects would be examined are State laws which provide tuition-free education for the elderly, and programs in other countries which support worker retraining through a variety of financing mechanisms.

The Committee bill also authorizes funding for State efforts to parallel the Federal efforts in planning, assessment, and monitoring of lifelong learning opportunities and needs.

Committee witnesses testified that, although the majority of part-time students are working adults, classroom techniques and materials are still frequently geared to younger students. Similar course selections for part-time students who attend night classes are more limited than for day-time students, and student assistance programs are frequently biased in favor of full-time enrollees. In an attempt to make it possible for the many institutions, organizations, and agencies interested in lifelong learning to expand their commitment, the Committee bill offers support for demonstration programs. These funds could be used to develop further existing programs or start new ones, and to adjust curriculum, teaching methods, facilities, guidance and counseling, etc., to the new needs and demands created by the increase in the number of nontraditional students.

The Committee bill authorizes expenditure of $40 million per year for lifelong learning programs. Because of the crucial importance of gathering the information necessary to plan for future Federal lifelong learning efforts, the Committee has required that the first $5 million appropriated in a given fiscal year be spent on the Federal monitoring, assessment, and planning activities. It requires that the next $5 million appropriated in a given year be spent on the State assessments and demonstration programs. The Committee would expect the Commissioner to allocate further appropriations according to his assessment of which activities would best further the goals of the program in that fiscal year.

The Committee wishes to make special note of the funds earmarked to develop and demonstrate ways to increase utilization of employer-employee tuition assistance and other similar educational programs and to encourage community coordination to assure that lifelong learning opportunities are designed to meet projected career and occupational needs of the community. These provisions were developed as a result of information received by the Committee (1) that many companies provide tuition assistance as an employee benefit but such benefits are substantially underutilized and (2) that a good deal of thought has been given to the need to bring education and work closer together. One of the suggestions made in the major study "The Boundless Resource" by Willard Wirtz and the National Manpower Institute was the establishment of "community education-work councils" to facilitate the transition of younger members of the community between institutionalized education and the work which is to follow it.

The Committee believes that both of these areas must be pursued further through the demonstration projects authorized in these new amendments to Title I.

PART B—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Extension of Authorization

The Committee bill extends the College Library Resources and the College Library Training and Research programs authorized by title II of the Higher Education Act through fiscal year 1982, at their existing authorization level of $100 million. The fiscal year 1976 appropriation for the library resources program was $9.975 million, which provides approximately 2,700 basic grants of about $3,700 each. About 75 percent of the expenditures are used for the acquisition of printed materials, and 25 percent for the acquisition of nonprint materials, such as films, filmstrips, recordings, tapes, microfiche, and microcards. The fiscal year 1976 appropriation for training was $500,000, sufficient to provide for the support of 33 fellowships and traineeships, along with about 80 institute participants, during the academic year 1976–77. In addition, the 1976 appropriation for library demonstrations was $1 million, which will fund 19 projects.

Revision of Research Library Resources

The Committee was responsible in 1965 for adopting the amendment which provided funds for centralized acquisition and cataloging by the Library of Congress, with the resulting catalog copy to be made available to college and university libraries across the country. This amendment became part C of title II. The Library of Congress now assures the Committee that this successful program can be continued under the Library's own authority and that its reauthorization in the Higher Education Act is no longer needed. The Committee bill, therefore, strikes part C with the understanding that the shared cataloging program, which has benefited users of libraries all across the country, is to be carried on by the Library of Congress.

In the place, the Committee proposes a new part C, authorizing the Commissioner to make grants for library resources to major research libraries. For this purpose, $10 million is authorized for fiscal year 1977, $15 million for fiscal year 1978, and $20 million for each of the four succeeding fiscal years. Institutions receiving grants under this part would not be eligible to receive the part A basic grants for library resources.

The major research libraries in the country represent the bibliographic foundation of the Nation's research effort. Yet, recently, financial stringency and exceptionally rapid increases in costs of library materials have forced many leading university and other research libraries to cut back on purchases of books and, in some cases, periodical subscriptions, and even to reduce the number of hours the libraries are open.

Research libraries, both public and private, are supported in a variety of ways, yet they serve users beyond the supporting institutions, localities, and States. As the Carnegie Council on Policy Studies in Higher Education suggested:

> The case for some degree of federal government support of large research libraries is precisely parallel to the case for federal government support of research and graduate education. States cannot capture all the benefits from their support of large research libraries, and this may help to explain why public university libraries have been particularly hard hit by cuts in state appropriations in terms of constant dollars in recent years.

Research libraries in the United States have combined resources of over 200 million volumes, which they share with thousands of smaller libraries through a growing system of interlibrary lending. However, the larger libraries, which lend far more volumes than they borrow, bear a disproportionate burden and need financial assistance to help them serve users beyond their primary clientele.

The new part C is intended to help research libraries maintain and strengthen their collections, which constitute an important national resource essential to scholarship and research, and to assist them in making their holdings available to other libraries whose users have need for research materials.

Institutions of higher education, public libraries, State libraries, and private nonprofit independent research libraries would be eligible for grants under this part, provided that they serve as major research libraries. A major research library is one whose collections make an indispensable contribution to higher education and research, are broadly based, are recognized as having national or international significance for scholarly research, are of a unique nature, not widely held, and are of such importance that fairly substantial demands are made upon the institution by researchers and scholars outside its primary clientele.

In establishing criteria for grant awards, the Commissioner should take into account the library's ability to meet State, regional, or national research needs. Regional and institutional balance in the allocation of funds under this part is required. The Committee intends that grants should supplement and not supplant funds normally budgeted by recipient institutions for library resources.

PART C—STRENGTHENING DEVELOPING INSTITUTIONS

Extension of Authorization

The Committee bill extends title III of the Higher Education Act (Strengthening Developing Institutions) through fiscal year 1982, at the existing authorization level of $120 million per year. This program is designed to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the postsecondary education resources of the Nation, but which are struggling for survival and are isolated from the main currents of academic life. Of the amount appropriated, 76 percent is for four-year institutions and 24 percent is for community and junior colleges.

The fiscal year 1976 appropriation for the developing institutions program will provide support to 197 institutions (15 new grantees and 182 continuations) under the basic program. In addition, 26 awards will be made under the advanced program, which is intended to put participants more nearly in the mainstream of higher education, with the view toward "graduating" them from the progam at the end of the grant period.

PART D—STUDENT ASSISTANCE

Basic Educational Opportunity Grants

The Basic Educational Opportunity Grant Program was enacted in 1972 to serve as a floor for Federal programs of student assistance. Its basic premise was that students should not have to make choices among postsecondary educational institutions on the basis of where student financial aid was available.

From the student's point of view, the program is relatively simple. He fills out an application, giving information about his family's financial status, and mails it to a central contractor. He receives back a statement telling him the extent of his eligibility for a Basic Grant. This statement, when presented to a student financial aid officer, is measured against the cost of the particular institution, for no grant may exceed half the cost of a student's education. Any gap between the amount of a student's Basic Grant and the total extent of his need for assistance is made up by other Federal sources including the college-based aid programs—Supplemental Educational Opportunity Grants, College Work-Study, and National Direct Student Loans—the Federally insured student loan, and State institutional and private sources.

The Committee heard widely conflicting testimony from the higher education community concerning the proper avenue to take in reauthorizing the Basic Grant program. Some witnesses advocated turning the program into an "access" program—using the funds for subsistence, and requiring the student to find tuition assistance elsewhere. Low-cost public institutions urged repeal of the half-cost limitation, as this limitation artificially reduces grants to low-tuition schools. Many private institutions urged the provision's retention, fearing that a shift in the program would adversely affect the amounts flowing to high-tuition schools, as students would be discouraged from applying.

The Committee bill makes no drastic changes in the Basic Grant program. It was the Committee's belief that the program is quite new, and its ground rules should not be changed at this time. It took the Basic Grant program a couple of years to establish itself, and to make students aware of its existence. For the first two years of the program, the Department of Health, Education, and Welfare overestimated the number of students who would participate in the program and, as a result, had funds left over at the end of the fiscal year.

This year, in contrast, substantially more students applied for and received Basic Grants than the Department had anticipated. An estimated 1.3 million students will receive grants for 1975–76. As a result, additional funds had to be made available to make the payments to students entitled to receive them. This fall will be the first time since the program's enactment that all four classes on a campus will be eligible to receive Basic Grants. To make substantial changes in the program at this time could only confuse students and financial aid officers, thereby threatening the growth of the Basic Grant Program.

The Committee bill therefore extends the Basic Grant Program through fiscal year 1982, with only minor modifications. Effective for academic year 1977–78, the maximum amount of the Basic Grant will be increased from $1,400 to $1,800. The bill clarifies that amounts received by a student under the Social Security Act shall be treated, for purposes of determining what his family is able to contribute to his education, as family income, rather than income of the student. One-half of the student's veteran's benefits may be counted as student income.

The bill provides that unexpected funds remain available for obligation for three months after the close of the fiscal year, in case it is necessary to make supplemental payments to students whose entitlements have already been established for that fiscal year. Otherwise, a student's total entitlement is established at the very moment that funds threaten to lapse, and the purpose of the law in providing for supplemental payments is foiled.

The Committee bill repeals the provision of existing law limiting a Basic Grant to half a student's need in situations in which the program is less than fully funded. Full funding has been attained, and the Committee hopes that this level of support will continue. In any event, it did not appear equitable to require all students to experience a "need gap" under the program. If half a student's cost of education can be met from other sources, including his family, a Basic Grant should be available to meet his other expenses. It should not be reduced to half that amount.

Finally, the Committee bill authorizes payment of $15 per Basic Grant recipient per year to every eligible institution participating in the program. This amount shall be first applied toward carrying out the new provisions for student financial aid information contained in the Committee bill and then may be used to defray administrative costs of the institution of its participation in the program.

Supplemental Education Opportunity Grants

The Committee bill continues the Supplemental Educational Opportunity Grant program unchanged through fiscal year 1982, at existing authorization levels. Again, the Committee was urged to rewrite this program, in order to target its funds on a limited number of high-tuition institutions. The Committee was not convinced that such changes were necessary at this time. If, in the future, changes in the Supplemental Grant Program appear necessary, they can be made at that time.

State Student Incentive Grants

Under the State Student Incentive Grant Program, the Federal Government provides grants to States on an even-matching basis to assist them in providing individual grants, based on financial need, to undergraduate students to attend institutions of higher education. In fiscal year 1976, 50 States and 5 territories participated in this program. Student grants were awarded to individuals from a wide range of low- and middle-income families. The $44 million appropriated in fiscal year 1976 provided a total of approximately 176,000 student awards.

The Committee notes with pleasure that four years after the initiation of the SSIG program, it has expanded to full participation of the States and territories in their own student grant program. Thus, one of the initial program purposes of inducing States which did not have programs to initiate them has been fully achieved. In the most recent year, total State appropriations for student grants has been approximately one-half billion dollars. While States are, in the aggregate, greatly expanding their grant programs, this encouraging total of aid is largely located within a few States. The Committee is hopeful that expanded appropriations in the SSIG program will result in a continued inducement for States to expand their own grant programs.

The Committee supports the principle that Federal aid should not be restricted by State boundaries. As originally designed, the SSIG program was intended to be equal matching of State and Federal funds. As the aggregate of State funds now exceeds the Federal appropriations by more than 12 times, many States greatly overmatch Federal contribution. In the State of New York, four million dollars of Federal contribution from SSIG is overmatched by an amount in excess of one hundred million dollars of State appropriation. In considering a requirement for portability of SSIG funds across State lines, the Committee determined that such portability requirements should only be applicable when all States make approximately equal contributions to their own SSIG supported State programs of grant aid to students. The Committee bill contains a requirement for interstate portability of SSIG grants only for States which do not greatly overmatch Federal contributions. Given the traditional patterns of students attending the college in- and out-of-State, the impact of this provision would be that no State participating in the SSIG program would be "exporting" student grant funds in an amount greater than the Federal contribution. Thus, States which have undertaken generous State-funded student grant programs will not be forced to increase State funding to pay the additional cost of portability by an amount greater than the Federal funds received under SSIG.

The Commitee bill provides that States participating in SSIG must allow all nonprofit institutions of higher education to be eligible for State grant programs. The Committee believes that no State should make a prohibition against a nonprofit educational institution, unless State constitutional prohibitions intervene. In addition, the Committee does not intend to imply that proprietary educational institutions should not also participate in State programs. The Committee bill leaves the determination as to the eligibility of proprietary institutions in SSIG supported State programs to the governing laws and authorities of each State.

In its desire to strengthen State guaranteed loan programs, the Committee has created a bonus allotment in the SSIG program to reward States which have State guarantee loan agencies and to induce States not having such agencies to establish them. This provision is based on a recommendation from the Government Operations Committee, which held extensive oversight hearings in cooperation with the Labor and Public Welfare Committee. A complete discussion of the hearings and their recommendations is contained in this report under the provisions describing amendments in the Guaranteed Student Loan Program.

The bonus allotment shall be implemented when appropriations in the SSIG program exceed $50,000,000. Amounts greater than $50,000,000 up to $200,000,000 shall be divided into two equal parts. One part shall be allotted in the same manner as all SSIG appropriations less than $50,000,000, i.e., the same method as currently used in the SSIG program based on proportionate student population. The remaining half of an amount appropriated in excess of $50,000,000 but less than $200,000,000 shall be allotted only to those States which are operating their own guaranteed student loan program. All monies appropriated in excess of $200,000,000 shall be allotted only to those States which have their own guaranteed student loan programs.

The Committee believes that this incentive will create a necessary inducement for those States not currently operating a loan program to do so. Furthermore, the new allotment system is created to phase in such a bonus factor only at higher levels of appropriations than have previously been available. The Committee believes that this new bonus allotment will strengthen both the SSIG and the Guaranteed Student Loan Program.

Special programs for student from disadvantaged backgrounds

The Committee extended the Special Programs for Students from Disadvantaged Backgrounds through fiscal year 1982 but amended the law to improve the coordination, administration, and evaluation of these programs; to increase the number of persons served; and to extend the character of services available. In addition, the Committee adopted a new special focus program to assist individuals from isolated rural backgrounds and minority group individuals underrepresented in specific careers. The Committee also adopted a new Service Learning Center program to be located on university campuses to provide remedial, counseling, tutorial and other services for students with special educational needs. This program would be open not only to low income students; up to one-third of the total served could be from non-low income backgrounds but with significant educational disadvantages. The Committee intent was to permit these comprehensive Service Learning Centers to offer to educationally disadvantaged youths from lower middle class backgrounds with short-term needs access to special counceling and tuitorial assistance.

The coordinating mechanism for these programs, which includes the traditional Talent Search, Upward Bound and Special Services programs, would be the National Center for Postsecondary Opportunity to be located within the Office of Education. The Center would coordinate and evaluate all programs, furnish technical assistance and act as a clearinghouse for disseminating information regarding effective and exemplary programs.

The Committee also sought to meet the expressed demand for additional trained educational personnel, to meet the special needs of the educationally disadvantaged by providing authority for short-term training institutes, and for the awarding of not less than 100 fellowships for graduate study for individuals pursuing courses designed to enable them to provide counseling and other assistance to the educationally disadvantaged.

The overall authorization for the Special Programs for Students from Disadvantaged Backgrounds would be raised to $200 million each year. At full funding, the Committee's expectation would be that the distribution of funds would be according to the following approximate allocation:

[Dollars in millions]

National center	$5
Talent search	15
Upward bound	55
Special services	35
Educational opportunity centers	5
Service learning centers	65
Special focus programs	15
Professional development and fellowship	5

The Committee would expect that the full appropriations of these funds would permit services to be received by some 750,000 individuals. Many of the new provisions adopted by the Committee resulted from recommendations of the National Task Force on the Disadvantaged and Postsecondary Education.

Educational Outreach Program

This section of the bill adds a new Subpart 5 to Title IV of the Act, to provide for grants to States for the development of Educational Outreach Centers to provide educational outreach, guidance, counseling, information, referral, and placement services for all persons who desire them.

The Committee has modeled these centers on the Educational Opportunity Centers for the disadvantaged established in Subpart 4 of Title IV of the Act. The Committee believes that there are large numbers of Americans, whether or not they are disadvantaged, who would be willing and able to take advantage of educational opportunities if they know such opportunities are available to them. This is especially true in rural areas, and in the nation's smaller towns and cities.

$20,000,000 is authorized for the fiscal year 1977, $30,000,000 for the fiscal year 1978, and $40,000,000 for each of the fiscal years 1979 through 1982 for grants to states for the development of these centers, under a formula based on the number of Basic Grant recipients who reside in each state. The States may make grants to or contract with institutions of higher education, including institutions of vocational and career education, public and private agencies and organizations, and local education agencies for planning and developing these centers.

The centers should be located so as to provide all persons in the area reasonable access to them. They are designed to provide outreach services with regard to available full-time and part-time education opportunities for individuals, as well as information about competency-based learning opportunities, awarding of credit for life experience, financial aid, and application procedures; guidance and counseling services with regard to education opportunities and career plans; and the availability of remedial or tutorial services designed to prepare persons for additional education.

States desiring to receive funds to prepare for the establishment of such centers are required to submit plans outlining a comprehensive strategy for providing access to such centers within a reasonable period of time for all persons in the state. States must also provide assurances of the availability of non-Federal funds to meet the program's 25 percent matching requirement. However, the Committee does not intend that such plans be unnecessarily burdensome on the States. The Committee directs that, in the early stages of the program, State plan goals may be stated generally and clearly identified as goals, rather than requirements.

The Committee believes that these centers can serve as the basis for a future network of "education maintenance organizations", through which all persons may maintain contact with educational options available to them, and may constantly and intermittently take advantage of those options throughout their lives.

For that reason, the Committee expects there to be considerable experimentation in the proper format for the delivery of these services, including the use of a wide variety of institutional settings for their placement. The Committee has provided for State administration of this program because States will be more aware than the Federal government of their own unique needs, and can achieve the desired flexibility in establishment and operation of the centers.

The Committee notes that several groups and many individuals have endorsed the need for these centers for all persons, including but not limited to the disadvantaged. Indeed, the Carnegie Commission report on equal opportunity in higher education, which served as the original basis for the already-funded Education Opportunity Centers for the disadvantaged, made several recommendations that could be applied equally to the disadvantaged and the needs of most middle-income Americans.

In addition, the California Postsecondary Education Commission has recently submitted a report to the California State legislature called "Establishing Community Advisement Centers", in which it recommends substantially the same program as is envisioned in this section.

Finally, the New York State Board of Regents made recommendations in this area which are even more specifically on point vis-a-vis the need for Federal legislation, as follows:

Educational Opportunity Centers

The Higher Education Act should be amended to provide for a new State-level program designed to expand the concept of Educational

Opportunity Centers as authorized currently under Title IV, Part A, Subpart 4 of the Higher Education Act of 1965. Under the proposed program, the Educational Opportunity Centers would be operated by postsecondary education institutions either individually or through consortium arrangements governed by the cooperating institutions. The centers would provide outreach, guidance, counseling, referral and placement services, and information about available programs and financial assistance to persons within the geographical area served by the center.

The proposed Federal program would have two parts:

1. A Federal requirement for and assistance to the States to develop a statewide plan and strategy aimed at providing, within reasonable distance of all the State's population, the services of an Educational Opportunity Center. This plan would emphasize ways to encourage existing institutions serving the same geographical areas to join together to organize Educational Opportunity Centers.

2. Grants would be made to States to finance a portion of the cost of grants or contracts with institutions or consortia of institutions seeking to plan and establish centers in accordance with the State plan.

The Special Services for the Disadvantaged Program authorized by Title IV, Part A, Subpart 4, of the Higher Education Act, should be reauthorized and continued as a program separate from the proposed Educational Opportunity Center program.

Veterans' Cost-of-Instruction Payments

Section 126 of the Committee bill proposes a series of amendments to section 420 of the Higher Education Act of 1965, as amended—the Veterans Cost-of-Instruction (VCI) program provision. The provisions in the Committee bill are derived from S. 2651, the "Veterans Cost-of-Instruction Extension Act."

The VCI program was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish special programs and services necessary to assist veterans in readjusting to an academic setting, especially educationally disadvantaged veterans. Paragraph (1) of subsection (a) of section 420 would be amended to extend the authorization for the VCI program for seven years, through fiscal year 1982. The program authorization expired on June 30, 1975. However, under the general extension provision in section 414 of the General Education Provisions Act, the program authority has been automatically extended for an additional year—through fiscal year 1976 in this case.

The Committee bill further amends section 420(a) to take into account that effective May 31, 1976, veterans discharged prior to May 31, 1976 will lose their eligibility for educational benefits under the G.I. Bill. The law provides that veterans released from active duty after January 31, 1955 have eligibility for 10 years after release or until May 31, 1976, whichever is later.

A major problem is posed by the fact that the enrollment in the more than 1,200 institutions of higher education receiving payments under the VCI program will be seriously affected by this expiration of eligibility. Although some veterans will be forced to discontinue their education due to loss of benefits, even those that remain enrolled are not included in the count for the purposes of determining eligibility.

The significance of this is that institutions now participating in the VCI program must qualify for continued eligibility on the basis of their count of students. Institutions of higher education are now eligible for VCI payments if the number of veteran-students receiving G.I. Bill payments there equals at least 25 persons, and is at least 110 percent of the number of such veterans in attendance the previous academic year, *or* if the number of such students is at least 10 percent of the total undergraduate enrollment and such percentage is no lower than that for the previous academic year. An institution which has established eligibility for VCI payments for an initial year continues to be eligible in succeeding years if the number of G.I. Bill veteran-students in attendance is at least equal to the number for the previous year, *or* at least equal to the number needed to establish eligibility for VCI payments for the preceding academic year, whichever is the lesser.

The April application count of the existing VCI schools will include veterans with pre-May 31, 1966, discharge dates. However, at the time of the first verification report (due in October), problems will be encountered since even those 1966 veterans (now without G.I. Bill entitlement) who reenroll cannot be counted for the purposes of determining eligibility. Those institutions which fall below the count for VCI eligibility will not be permitted to continue in the program and will have to return the entire amount of their grants.

The Committee bill resolves this problem by amending section 420 to allow schools to maintain their eligibility for VCI payments by directing the Office of Education to subtract from the October verification count the number of veterans whose eligibility expired on May 31, 1976, thus allowing schools a drop in enrollment no more than that figure which represents G.I. Bill veteran-students who became ineligible because of the May 31 delimiting date. In this way, a school, which met the qualification and maintenance of effort provisions at the time of the April application date, would not become ineligible solely as a result of the delimiting date in May and be forced to forfeit its grant in October. This formula will not, however, allow the school to relax its recruiting and outreach efforts since it must continue to maintain its base year qualifying count in all other respects; indeed, the effect of the continuing exhaustion of G.I. Bill eligibles on a monthly basis thereafter may well require even greater efforts in this regard.

It is anticipated that the Veterans' Administration will provide a school-by-school breakdown to the Office of Education of the number of students affected by the delimiting date. The VA advises that such a breakdown can be obtained with a computer run.

Section 420(c)(1)(B)(iii) is amended by the Committee bill to emphasize the need to insure that educationally disadvantaged veterans are fully informed of the G.I. Bill benefits and other opportunities available to them. This provision would encourage, by specific reference, the use in VCI programs of the VA work-study program as a means of providing outreach, recruiting, and counseling services to educationally disadvantaged veterans. Section 1685 of title 38, U.S.C., provides for an unlimited number of work-study slots to enable G.I. Bill veteran-students to be paid an additional educational assistance allowance for the performance of certain services during or between periods of enrollment.

The Committee bill also adds two new subsections to section 420. New subsection (f) requires the Commissioner of Education to coordinate the activities of the VCI program with complementary and supplementary programs carried out by the Veterans' Administration. The Administrator of Veterans' Affairs also is required to provide to VCI programs and the Office of Education assistance, technical consultation, and information otherwise authorized by law. This amendment is intended to ensure that programs are conducted in a manner which will promote maximum effectiveness and is a coordinate of section 220 of title 38 which requires the Administrator of Veterans' Affairs to "seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their instrumentalities of the executive branch."

New subsection (g) provides that the VCI program shall be administered by an identifiable administrative unit. This provision is designed to ensure that institutions receiving VCI awards receive adequate administrative assistance and program support in carrying out their responsibilities. The Committee bill also requires that the Commissioner of Education prepare and submit to the Congress, within ninety days of enactment of this bill, a report on the VCI program. The Committee anticipates that the Commissioner, in preparing the report to the Congress, will conduct surveys of institutions receiving assistance under this section, incorporate any reports prepared by such institutions, and generally develop an informational and monitoring system to carry out his responsibilities under present subsection (c)(1) of section 420.

Federal and State Insured Loan Programs

Under the Guaranteed Student Loan Program, a student may borrow money from a bank, savings and loan association, credit union, or other lender, to attend either institutions of higher education or vocational schools. The Federal Government guarantees the repayment of loan principal, and subsidizes interest payments for certain borrowers based on their adjusted family income. An annual interest rate of 7% is charged during the repayment period, which begins nine to twelve months after the student borrower completes his or her course of study or leaves school. The maximum repayment period is ten years.

Special allowances are paid to lenders to encourage participation in the program. The rate provides for up to 3% interest payments to lenders in addition to the 7% basic rate for a total interest compensation of up to 10%.

In fiscal year 1976, 891,000 new loans were guaranteed to students attending over 9,200 eligible colleges, universities, and vocational schools. Loans were made by nearly 20,000 lenders. As of June 30, 1976, the total cumulative number of loans made under this program was 8,210,000, and cumulative loan volume reached $8.2 billion.

The Committee undertook extensive oversight regarding the Guaranteed Student Loan Program (GSLP). Administrative difficulties and much publicized abuses in the program have been a great concern to the Congress and the Administration. The Committee recognizes the massive contribution to financing postsecondary educational opportunity made in the ten years of operation of the GSLP. No other program of the Federal Government has been as successful in expanding financial resources to support educational expenses of our citizens. As roughly one in every fifty American citizens has benefited from this program, its massive success in serving its purposes should not be diminished. However, such high levels of participation and the need to expand educational opportunity have created both program growth and opportunity for abuse which have threatened to destroy this fine record of success. The Committee has made a number of supporting amendments and structural changes to the program to maintain its purposes, to simplify its administration, and to restrict the opportunities for abuse. The Committee believes that the array of improvements combined with diligent and aggressive administrative action by HEW will result in a strengthened program which shall continue to serve its vital purposes.

The Committee bill incorporates a number of proposals made by HEW to strengthen the program, which were introduced as a separate bill, S. 1229. The provisions incorporated in the reported bill are: (1) prevention of the defense from repayment by reason of infancy status of the borrower; (2) easing of minimum repayment period of the loan when agreeable to lender and borrower; (3) provision of lower monthly payment for two spouses who both have loans; (4) encouragement of lenders to make multiple disbursements, thus lowering default if educational programs are not completed by the student borrower; (5) adoption, in an altered form, of the principle of prohibition of a student exercising an unintended use of the bankruptcy laws. The Committee commends HEW for suggesting these improvements, and the other administrative actions taken to date. However, the Committee reviewed and declined to adopt an HEW proposal to eliminate all proprietary schools as school-lenders in the Guaranteed Student Loan Program. This decision was based on the belief that abuses are not restricted to any particular segment of educational institution, but rather that abuses exist in all segments and must be rooted out through administrative action based on available legal and administrative sanctions. The Committee cannot accept the notion of restricting participation in the loan program of those students who chose an educational institution with a proprietary form of governance.

The Committee raised the amount of adjusted family income necessary to qualify for student loan interest subsidy from the original 1965 level of $15,000 to a new level of $25,000. Under this provision, the Federal government pays the interest on a guaranteed student loan for an eligible student while that student is enrolled in a postsecondary institution. This is to reflect the inflationary impact on the family income level which establishes eligibility for subsidy of loans. Those students from families with incomes greater than the $25,000 level shall continue to be eligible for loan guarantee, but will not be eligible for Federal subsidy interest payments.

The interest subsidy relieves part of the financial burden on students and their families during the enrollment period. Eligibility for the subsidy has also been shown to be one of the factors in consideration of students for loans by private lending institutions.

Congress established the Guaranteed Student Loan Program in 1965 particularly for middle-income families. At that time, the eligibility ceiling for the federal interest subsidy was established at $15,000. Although the Consumer Price Index has increased by 65 percent, this ceiling has remained unchanged. As a result, many middle-income families are no longer eligible for the federal interest payment. The Committee's intent is to restore the decline in eligibility due to inflation.

Recognizing the shifting employment market for postsecondary institution graduates and widespread general unemployment, the Committee determined it necessary to provide an extension of the "grace period" on loan repayment when a student borrower is unable to find gainful employment after graduation. Such grace period shall be limited to a single incident which is up to one year in length. Thus, any student who has initial difficulty in entering the job market would be given a hiatus from beginning his repayment period.

The Committee worked in close cooperation with the Senate Committee on Government Operations, which held its own extensive oversight hearings on the administration of HEA Title IV programs. The extensive oversight and investigation capability of the Government Operations Committee built on the existing record of inquiry undertaken by the Education Subcommittee. The Labor and Public Welfare Committee greatly appreciates the efforts of the Government Operations Committee and its staff in undertaking this major investigation, which was extremely useful in aiding the Labor and Public Welfare Committee in its deliberations regarding reauthorization of Title IV.

On March 15, 1976, Senator Nunn and Senator Percy on behalf of the Government Operations Committee wrote to Senator Pell, Chairman of the Education Subcommittee, reporting on the results of their oversight hearings. A complete text of their letter follows:

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United States Senate

COMMITTEE ON
GOVERNMENT OPERATIONS
SENATE PERMANENT SUBCOMMITTEE
ON INVESTIGATIONS
(PURSUANT TO SEC. 4, S. RES. 49, 94TH CONGRESS)
WASHINGTON, D.C. 20510

March 15, 1976

The Honorable Claiborne Pell
Chairman, Subcommittee on Education
Committee on Labor & Public Welfare
United States Senate
Washington, D. C. 20510

Dear Senator Pell:

As you know, the Senate Permanent Subcommittee on Investigations has held a series of hearings into fraud and abuse in the administration of the Federally Guaranteed Student Loan Program. During these hearings, we had the very helpful counsel of Senator Javits, who so ably serves with you on the Education Subcommittee. During our discussions, Senator Javits suggested that we offer your Subcommittee our thoughts on possible legislative initiatives that would appear warranted to correct many of the abuses uncovered during our hearings.

Knowing of your own dedication to this very important program and with deep respect for the leadership role you have played on the Education Subcommittee, we submit for your consideration the legislative proposals outlined below. We will certainly make Subcommittee staff available to meet with your staff to expand upon these proposals and discuss other relevant material which has come to our attention in the course of our investigation.

LIMITING POTENTIAL FOR FUTURE LOSSES

As testimony made clear during the hearings of the Investigations Subcommittee, default rates are running much higher in the direct, federally-insured part of the GSL program than they are in the state-run program. Under the state program the federal government acts as a reinsurer rather than as a direct insurer. Although the initial concept of the program was to help middle-income students, the emphasis has shifted so that a large number of beneficiaries are lower income persons. It was originally anticipated that outright grant programs, with no anticipated repayment, were for the use of these most-disadvantaged students.

At the same time, the original goal of trying to encourage state programs has apparently been abandoned in favor of the direct federally-insured lending program. As a result, only 25 states now operate their own guaranteed student loan program.

To remedy these problems, Congress could pass legislation establishing a date after which the Department of Health, Education and Welfare would no longer directly insure loans. Instead, emphasis would be shifted to state programs. Accordingly, legislation should also be contemplated to encourage the other 25 states to set up their own programs.

A principal reason that many states do not operate their own student loan program is the HEW collection policy. In the state-run programs, the federal government reimburses the state 80 per cent of a defaulted loan. This leaves the state with a 20 per cent exposure. However, under existing procedures, if the state collects any money it must turn it over to the federal government until the entire federal obligation is liquidated. Such a policy is a disincentive for state action. If this policy were modified to provide an equitable sharing of collections between the state and the federal government, more states could be expected to inaugurate their own programs and strengthen existing programs.

Legislation must also be considered to authorize a study of how to encourage more state-run programs. For example, the federally-guaranteed portion could be increased and/or the federal government could reimburse the state for a percentage of its collection costs.

Your Subcommittee might also consider providing a bonus to states which run their own insured-loan program under the State Incentive Grant Program in which all 50 states now participate.

An alternative would be to limit the total liability of the state and federal governments in the direct loan system to 80 or 90 per cent of the loan, making the lender responsible for 10 or 20 per cent of the liability. But, realistically speaking, this would undoubtedly result in a severe curtailment of the program unless accompanied by some companion inducement to banks to continue to write these loans.

Finally, consideration should be given to eliminating proprietary and correspondence schools as lenders under the program. In most state programs such schools are not permitted to be lenders, although a student could obtain a loan from another source to enable him to take courses at such schools. Undoubtedly, the elimination of such schools as lenders is one reason for the better performance of state-run programs. On the other hand, we have heard the counter-argument that such schools offer constructive courses which would not be available to students unless such institutions were permitted to continue as lenders. In any event, it would seem that such institutions should be permitted to serve as lenders only after the most careful scrutiny.

ENFORCEMENT AND COMPLIANCE

It was clear from testimony that the Office of Education has been less than efficient in its administration of the program and woefully lacking in professional personnel who will dutifully enforce existing laws and regulations. It is, therefore, suggested that a most important legislative step involves increasing the authorization for more auditors, investigators, compliance officers and support personnel as well as additional travel funds. We understand that some administrative changes within HEW have recently been undertaken with a view toward strengthening this surveillance component. The Education Subcommittee should determine whether those efforts suffice or whether they are merely cosmetic.

In addition, since there are no criminal penalties now being used by the Office of Education in prosecuting violators, it is suggested that criminal penalties be written into the law which would prohibit:

—The siphoning off of or allocation of grant funds for purposes not directly related to education, including entertainment, transportation of non-students, payments to non-students for non-educational services, and payments to federal, state or local officials intended to influence governmental action favorable to a school;

—False statements made to accreditation organizations;

—Fraudulent action of individuals which cause a default claim to be filed against the United States;

--The payment of bribes to lenders to induce them to buy GSL loans; and

--The intentional destruction of records by any participants in the GSL program.

To provide a marketing unit for guaranteed student loans, Congress created the Student Loan Marketing Association, a quasi-governmental corporation, in 1973. Now, however, it is the opinion of the Department of Health, Education and Welfare that guaranteed student loans are not negotiable instruments and it is therefore questionable what useful function the Student Loan Marketing Association (SALLIE MAE) is serving.

Moreover, the enabling legislation did not require audit of SALLIE MAE by the General Accounting Office. Consideration should be given to requiring a GAO audit of SALLIE MAE, with a report to be prepared for Congress within six months.

For some time, HEW has proposed cutting the National Direct Student Loan Program and the Supplemental Educational Opportunity Grants Program. This proposal merits consideration if coupled with a broadening of the Basic Educational Opportunity Grant Program to pick up true hardship cases now being handled by SEOG. An alternative would be to use NDSL and SEOG programs only for students in higher-learning institutions, while terminating these programs for proprietary vocational schools, since this latter category is where most of the abuses have been found.

Before termination of any of these programs, however, a complete audit of the disposition of the funds should be completed. It is likely that such audits will show massive amounts of unaccounted-for federal monies.

In addition, there are many other problems in the program which could be corrected by new or revised regulations or administrative procedures. Examples include the accreditation process, the composition and authority of boards making outright grants to schools, procedures whereby dropouts can be monitored, problems with present computer and record-keeping capabilities, and clarification of rights and obligations of lenders, students and the government. But one of the greatest criticisms we have of HEW is that they have not promulgated essential regulations to run the program properly. We believe it has reached the point where you might want to consider including in pertinent legislation a directive that HEW promulgate regulations in these and other specified areas with the imposition of a stringent time requirement.

We hope these suggestions will be of some assistance to you in your examination of legislation in this important area. Please feel free to call upon us for any further assistance.

Sincerely,

Sam Nunn
Sam Nunn, U.S.S.

Chuck Percy
Charles H. Percy, U.S.S.

cc: Honorable Jacob Javits
Honorable Harrison Williams
Honorable J. Glenn Beall

The Labor and Public Welfare Committee had already prepared a number of proposals along similar lines to those suggested by the Government Operations Committee. The final provisions of the bill draw in great measure from the work of each Committee. One item of particular interest among the Government Operations Committee recommendations was their discussion of the relationship between private accrediting associations and eligibility for Federal student assistance programs. The Committee in recent years has held several hearings regarding this critical area. In strengthening the existing Title IV, the Committee took no direct action affecting the existing and historically developed relationship between the U.S. Commissioner of Education and accrediting associations. An Administration proposal for statutory changes in this area was presented to the Committee at such a late date that realistic consideration was impossible. Unfortunately, HEW did not even present its comprehensive higher education proposals to the Congress until after the Education Subcommittee had reported S–2657 to the full Committee. The Committee regrets this tardy input and expresses its dismay at the delays by the Administration in providing its position on Higher Education. The Committee is willing at an appropriate future time to review this important matter of accreditation and eligibility and consider legislative improvements.

As a central part of its oversight of the guaranteed student loan program, the Committee undertook a comparison of the Federal (direct) insured loan program and the State (reinsurance) loan programs. At the Committee's request, the Congressional Research Service of the Library of Congress also undertook an extensive survey and data gathering to compare numerous aspects of eligibility, participation, and administration of the State loan programs. Testimony was received from a panel of State officials responsible for administration of their respective State loan programs, as well as extensive testimony from HEW officials. The Committee on Government Operations also included in its recommendations suggestions for a new financial relationship in the loan program between the Federal and State governments.

After consideration of all these factors, the Committee concluded that it was necessary to buttress and augment existing state loan programs, and to encourage new state loan programs. The Committee prefers an approach based on optional incentives to induce voluntary State participation, as opposed to mandates or elimination of Federal programs where a State does not choose to operate its reinsured loan program. Thus, the guaranteed student loan statute is amended in the Committee bill to provide options which an existing or a new State program may enter a new agreement with HEW to increase its percentage of reinsurance and to have collection and preclaims assistance costs reimbursed by the Federal Government. Currently, State programs are reinsured 80% by the Federal Government, and States which have no State program receive a direct Federal program for their citizens. The original program purpose stated in the 1965 Act was to encourage State programs. However, the anomalous situation of States without programs having no expenses and States with programs have 20% expense of defaults and 100% expense of administration creates a disincentive to States running their own loan programs. Based on testimony, research, and its own analysis, the Committee concluded that States are in a superior administrative position to efficiently and effectively operate loan programs. However, the Committee wishes to induce all State programs to be brought to the same level of service and availability as the Federal (direct) program. Therefore, the Committee has provided an option to State programs to act as an inducement, based on their general conformity with the Federal program regarding the eligibility of students, educational institutions, and lenders. No State program shall be required to make any change in order to maintain its current 80% reinsurance. Those States which choose the option of generally conforming with the Federal eligibility standards may receive 95% or, under separate conditions, 100% reinsurance. Additionally, under similar conditions, a State program may qualify for Federal payment or reimbursement of its cost of collecting defaulted loans and its costs of prevention of defaults through preclaim assistance. The Committee believes that this administrative cost provision will provide lower overall operating costs to the program by avoiding unnecessary defaults by proper servicing of loans and in expanding collection efforts by removing disincentives for State programs to undertake an aggressive collection operation.

Regarding Federal repayment of State collection and preclaim assistance cost, the Committee believes that a necessary precondition for such assistance to States is their agreement to provide needed program operation information to HEW. As in the case of any Federal payment, proper auditing procedures must be established. In addition, any State wishing to receive such payments must adequately demonstrate its capability to usefully carry out a program of collection and of preclaim assistance.

In regard to eligible educational institutions in the State programs, the Committee makes one notable exception to its requirements as part of the increased reinsurance option that State programs conform to the Federal standards of participation. This exception regards nonresidential or home-study schools, which have no relationship to State boundaries. The Committee does not believe a State program should be responsible for an educational institution which, through its outreach based only on US mail, is essentially a multistate or national institution. The Committee notes that nonresidential schools in many cases have provided a sound education opportunity to persons whom might not otherwise be able to receive postsecondary education. A number of innovative and progressive institutions, including institutions organized by State governments, are nonresidential schools. The Committee wishes to encourage such innovative developments and recognizes that several have been funded through the Fund for Improvement of Postsecondary Education of HEW. This unique type of school represents a multistate or national interest, and thus in the opinion of the Committee should not be the responsibility of a single State agency loan program.

Regarding residency, the Committee believes that each State loan program should allow eligibility to every otherwise eligible citizen of that State as well as to every eligible student attending an eligible institution in that State. The Committee does not intend that a State should have responsibility within its loan program for students who are not legal residents of that State nor attend an eligible institution in that State.

In order to avoid abuses by unscrupulous individuals who unfairly promote student loans and often misrepresent the nature of its obligations, the Committee has eliminated from eligibility in the student loan program any educational institution which employs or uses commissioned salesmen to promote the availability of the Guaranteed Student Loan Program. The Committee does not intend that this prohibition apply generally to any school which uses or employs commissioned salesmen. Thus, the prohibition applies only to those institutions utilizing commissioned salesmen who promote student loans. The Committee does not wish to restrict normal and ethical recruiting practices by educational institutions. The restriction on promotion of loans is intended to eliminate active promotion. not simply the listing of loan availability in a catalogue or providing appropriate information and counseling to a student regarding available student aid programs.

The Committee bill provides for elimination as an eligible institution for any school with an annual default rate of 15% or greater for two consecutive years, after the notice and opportunity for a hearing. As the amendment mandates that two consecutive years must show 15% or greater default rate, the Committee intends that any school shall have an opportunity for two full years of experience prior to any administrative determination of ineligibility. Thus, if a school had an unacceptably high default rate in year one, determination of ineligibility must await a second year of unacceptably high default rate prior to termination under this provision.

The Committee recognizes that certain existing shortcomings of the GSLP data system may make actual tabulation of annual default rates administratively impossible for each and every participating institution. In the case where the Commissioner determines that data necessary to implement this provision is not obtainable, he shall advise the Committee on the data shortcoming, and provide a plan on how to best implement the provision. As two years will elapse before implementation of this provision, the Committee believes that any inadequacy of the existing data system can be corrected so that appropriate implementation can take place.

The Committee does not intend that these provisions shall be implemented on a retroactive basis. Rather, the Committee is hopeful that the many improvements made in the student loan program under its bill, along with the technical assistance to the institution to improve collection rates will result in a very limited number of determinations of ineligibility.

Student Loan Marketing Association

The Committee has included a technical amendment at the request of the Student Loan Marketing Association (SLMA—"Sallie Mae"). The intent of this amendment is to provide a statutory basis for the perfection of security interest in student loans insured under the Guaranteed Student Loan Program, by filing an appropriate notice with State officials of such security interest. It is anticipated that such a provision would materially facilitate the operation of Sallie Mae in its Warehousing Advance Program, under which Sallie Mae makes advances to eligible financial and educational institutions on the security of student loans. This provision is an appropriate method by which to resolve problems now faced by Sallie Mae in perfecting security interest in pledged GSLP loans under applicable State law, which in virtually every State governs the perfection of security interests in such transactions.

The Committee wishes to take note that, since its inception in 1973, Sallie Mae has made significant progress in providing additional capital for student loans from the private sector. In spite of being organized during a period of difficult conditions in the general financial market, Sallie Mae has been successfully initiated and has made significant inroads in achieving its mandate to increase capital available for student loans through secondary market operations. The Committee wishes to note the success of Sallie Mae to date, and state its desire to continue to encourage its expansion, so that students will be served who otherwise may be denied the opportunity to finance their postsecondary education through a private capital loan mechanism.

Work Study Program

The Committee bill extends the College Work-Study Program through fiscal year 1982, at existing authorization levels. It includes a technical amendment to make it clear that work-study students may be employed in jobs in Federal, State, and local public agencies, as well as other types of public agencies.

In addition, the Committee bill prohibits an institution from terminating a student's work-study employment during a semester, merely on the grounds that he has independently sought additional employment, and that his combined salaries exceed the institution's determination of his need. Such abrupt termination could only be disruptive, not only to the student, but also to the agency or organization that counted on his services for the period of the semester. It only discourages individual enterprise, for a student who would otherwise seek additional work would be aware that it could jeopardize his work-study job. The prohibition on termination only applies for the semester-long period. At the end of the period, the institutional financial aid officer could, of course, make a redetermination of the student's need as part of his decision concerning whether to continue his work-study employment.

The Committee bill also amends the assurances required of participating institutions, broadening their commitment to additional work-study experiences for their students from other than Federal funds to all students who desire work-study employment, not just those in need.

The Committee bill also includes an amendment which was proposed by the National Student Lobby (NSL). Research conducted by NSL demonstrated that the majority of students learn about student aid programs primarily from their peers. Other sources of information, such as government publications, school counselors, and parents, were less often used than fellow students. The amendment provides that a ratio of student counselors in proportion to the number of students on the campus will be funded by College Work-Study funds. These student counselors will provide peer counseling on student aid programs.

It is the intention of the Committee to assure that this provision does not provide a burdensome amount of additional paperwork in the institutional application for College Work-Study support. A waiver is available to those schools which already have, in the opinion of the Commissioner, an adequate program of counseling for their students. The Committee expects that the existing "tri-partite application" will be adjusted to include the necessary assurances for compliance with this section.

Based on the research demonstration of the primacy of fellow students as the principal source of information, the Committee believes that students are in the best position to advise campus and Federal administrators on the implementation of this provision. In making necessary alterations of this form and in promulgating regulations to implement this amendment, the Commissioner is directed to consult with appropriate and interested student groups. Likewise, each institution in determining how to meet the requirements of this amendment is expected to do so in consultation with the appropriate student representatives of its respective campus.

Cooperative Education

The Committee bill authorizes $15 million for fiscal year 1977, $20 million for fiscal year 1978, and $25 million for each of the fiscal years through 1982, for grants to institutions of higher education for the planning, establishment, expansion, or carrying out of programs of cooperative education. The definition of "cooperative education" is amended to allow programs which alternate part-time work and study to be eligible for Federal assistance; existing law limits eligibility to programs of alternative full-time work and full-time study.

In addition, the Committee bill authorizes $1.5 million for fiscal year 1977, $2.5 million for fiscal year 1978, and $3 million for each of the fiscal years through 1982, to enable the Commissioner to make training, demonstration, or research grants or contracts.

The maximum program grant to an institution of higher education is increased from $75,000 to $150,000 by the Committee bill.

Direct Loan Program

The Committee bill extends the National Direct Student Loan Program through fiscal year 1982, at existing authorization levels. Provision for cancellation of a loan obligation upon the death or total disability of the borrower, accidentally omitted by the Education Amendments of 1972, is reinstated and made retroactive to the date of enactment of the 1972 Amendments, so that no gap in the effectiveness of the provision occurs. Teacher cancellation provisions are made ineffective with regard to any loan made after the date of enactment of the Act. There is no evidence that such provisions have made the difference in a student's career choice and, in a time when the country as a whole is experiencing a teacher surplus, it makes little sense to continue to attempt to encourage additional numbers of undergraduates to enter the teaching profession.

Student Consumer Information

The Committee received extensive testimony from students, educational institutions, private needs analysis service organizations, and State and Federal officials, regarding the necessity for simplification and coordination among Federal and non-Federal student aid programs. Students receive major Federal assistance from programs administered by the Veterans Administration and by the Social Security Administration. Many States have a complete array of their own student aid programs, including several new programs stimulated by the Federal State Student Incentive Grant program. Private foundations and other private and civic organizations provide assistance to students to meet their financial obligations. Educational institutions themselves have historically aided students with financial need or with exceptional scholastic ability. Thus, the programs authorized by title IV of the Higher Education Act are merely one part in a highly complex array of assistance available to students. In addition to these programs, which have had tremendous impact on the ability of Americans to seek postsecondary education and thus enrich their lives, the family and the student himself remain as the primary source of meeting financial obligations connected with postsecondary education.

While the Committee has a firm desire to encourage streamlining and simplification, it acted carefully to avoid inappropriate destruction of the current and multiple source system which it believes is necessary to maximize the total resources available to students. As financing postsecondary education should be a joint effort among private sources, government sources, and family sources, the Committee believes in aiding the development of a streamlined and efficient system in which several levels of government and multiple sources of funds produce an array of available aid so that every individual may maximize his own potential through postsecondary educational opportunity.

The Committee believes that students and prospective students can make intelligent choices about financing their education only if they have sufficient information. For many young people, education after high school represents the largest expenditure they have ever made. Frequently, a prospective student has little idea where to seek information as to available education programs, or available financial aid, so that he may become a well informed "comparison shopper" in the educational market place. The Committee has also found that some students undertake obligations, particularly in student loan programs, without full knowledge of their responsibilities. Testimony before the Committee and before the Senate Committee on Government Operations indicates abuses have entered these programs partially due to lack of information by participants. Complete disclosure and understanding of student's rights and responsibilities in participating under Federal aid programs should result in a reduction of the abuses.

Educational institutions testified as to the increasing and large costs of dealing with Federally aided students. Despite their expressed willingness to improve their administration of Federally funded student aid programs and counseling to their students, budget stringencies on many campuses have forced them to reduce these services. While some schools have been improving their own information dissemination and counseling efforts, most schools lack sufficient resources to provide an exemplary student information effort.

In light of these factors, the Committee acted to incorporate the provisions of S–2943, the Student Consumer Information Act. This will authorize additional payments to educational institutions of $10.00 per academic year for each student with a Federally guaranteed student loan and $15.00 per academic year for each student with a BEOG. It is the first purpose of these payments, as well as payments already being made under existing "campus-based" aid programs, to assure that adequate student consumer information is being made available at each institution receiving such cost allowance payment. After sufficient administrative cost allowance funds have been utilized to provide an adequate student consumer information program, remaining funds are available for other administrative necessities of operating the Federal student aid programs. The Committee believes that by linking administrative cost allowance payments to provision of student information services, all program participants will benefit. Students will have more information and schools will be in a better position to provide needed services.

Other provisions also incorporated from S-2943 provide that each educational institution must have designated the appropriate employee(s) to be available to assist students in obtaining the necessary information. The Committee wishes to give educational institutions flexibility for carrying out this provision. To provide such flexibility, the provision is written to allow not only a full time employee but also a group of employees available on a full time basis. In addition, small schools may waive this provision when full time personnel is not required by virtue of their size.

The Commissioner is directed to publish in the Federal Register and use other means he deems appropriate to provide a description of Federal student assistance programs, including the rights and responsibilities of student and institutional participants. The Committee believes that such a statement, periodically updated, can form a core of information on student aid on which other State, private program, and institutional information systems can be built. By emphasizing both the rights and responsibilities of all the participants, program abuses springing from lack of information will be greatly lessened. Federal regulation publication of this statement will provide for a period of public comment so that affected parties may express their views prior to final publication of these descriptions of rights and responsibilities.

Improved Collection for Insured Loan Program

As noted previously, the Committee bill prohibits discharge in bankruptcy of a guaranteed student loan obligation for a five-year period after the repayment obligation starts. This provision is similar to one suggested by the Administration. Commissioner Bell testified before the Committee that student loan bankruptcies have been on the increase. From the beginning of the program through fiscal year 1972, these totaled 2,146 for $2.4 million. The cumulative total reached 8,969 for $11.3 million, as of February of 1975.

The Committee bill seeks to eliminate the defense of bankruptcy for a five-year period, to avoid the situation where a student, upon graduation, files for a discharge of his loan obligation in bankruptcy, then enters upon his working career free of the debt he rightfully owes. After a five-year period, an individual who has been faithfully repaying his loan may really become bankrupt. He should not be denied this right, and is not under the Committee bill.

Fiscal Responsibility

The Committee bill authorizes the Commissioner to prescribe regulations for (1) a fiscal audit of any institution participating in the Basic Grant, College Work-Study, or National Direct Student Loan Programs, (2) the establishment of reasonable standards of financial responsibility and instituitonal capability to administer those programs, and (3) the limitation, suspension, or termination of payments under those programs, and (3) the limitation, suspension, or termi- under those programs, after notice and an opportunity for the institution to have a hearing.

The Education Amendments of 1972 authorized the Commissioner to limit, suspend, or terminate institutional participation in the Guaranteed Student Loan Program, in a provision similar to that in the Committee bill. After a number of years, the Office of Education has finally issued regulations to implement that provision, and the Committee hopes that it will have a significant effect in weeding out those schools which do not have the fiscal stability or administrative competence to participate successfully in the loan program. The Committee bill would extend this protection to the Basic Grant, Work-Study, and Direct Student Loan Programs.

Without the language of the Committee bill, the Commissioner has no statutory authority to withhold payments from a school that he knows is foundering and will not be able to provide its students their education, after its cost has been paid. It makes little sense to the Committee to require continued payment of Federal funds to an institution in financial crisis, which threatens to close its doors and leave its enrollees stranded. The Committee bill would allow the Commissioner to set fiscal standards, then suspend, limit, or terminate an institution's participation if it failed to meet them, after notice and hearing.

Report on High School Equivalency Program and College Assistance Migrant Program

The Committee is concerned about the continuation of two education programs which are operated by the Department of Labor, the High School Equivalency Program (HEP) and the College Assistance Migrant Program (CAMP). These are programs for migrant workers who may otherwise be denied the opportunity for postsecondary education, and are authorized by title III, section 303, of the Comprehensive Employment and Training Act of 1973, as amended.

The Committee bill, in section 124, amends and augments those programs previously known as "TRIO" which have a similar purpose of creating opportunities for members of underserved communities to extend the possibility of postsecondary education to persons who may otherwise be unaware or unprepared for such opportunities. In expanding and augmenting the TRIO programs, the Committee is attempting to provide a flexible array of programs to meet the difficult problems of expanding educational opportunity to traditionally unserved persons. Section 135 of the bill requires that the Commissioner of Education, in consultation with the Secretary of Labor, prepare a report on all of these programs, so that the Congress might reach an informed determination as to their proper organizational location and the needed interrelationships among these similar programs. While the intent of Congress is clearly expressed to continue programs of this nature, the report will advise the Committee and the Congress on the best administrative means for delivering these proven services to existing and potential clients. As several recent and extensive evaluations on these programs have been completed, the Committee expects these will be incorporated into a new and comprehensive report on the topic.

The Committee shall consider the organizational and program implications of the report in reaching a determination as to the future of the HEP/CAMP programs as well as similar programs currently authorized by title IV of the Higher Education Act.

PART E—EDUCATION PROFESSIONS DEVELOPMENT

Revision of Title V

The Committee bill repeals all of the Education Professions Development Act except for the Teacher Corps. The Nation is no longer suffering a teacher shortage, except in limited areas and limited fields. The Committee believed that further extension of general teacher training legislation was unnecessary, and that new methods of meeting specific training needs should be substituted for those contained in existing law. The single exception to this is the extension for one year of the authority to train vocational educators. This authority would be repealed in 1978, when the new training authority contained in the Vocational Education Act would become effective.

Teacher Corps

The Committee has recognized the continuing need for additional educational resources to meet the needs of the educationally disadvantaged and has extended the Teacher Corps programs for six years. Of all the programs aimed at meeting the needs of the disadvantaged, this has been one of the most innovative. The Committee has rejected the lack of priority displayed by the Administration in its imposition of a four-year spending ceiling on the Teacher Corps and has increased the level of authorization in FY 1978 to $75 million and to $100 million for the following years.

The Committee also adopted provisions encouraging team teaching, providing for technical assistance and evaluation, assuring adequate parent participation in program development, and compensating school districts for the lost time of participants in in-service Teacher Corps projects. The Committee, while maintaining its full support for in-service programs designed to retrain current teachers, did establish some restraint on their proportion in the program to insure a continued influx of interns from backgrounds similar to those of the disadvantaged.

Teacher Training Programs

Title V of the existing higher education authority includes the Education Professions Development Act, first enacted in 1967 in the midst of a critical teacher shortage along with a Congressional recognition of unmet needs for educational personnel in priority areas such as education for the disadvantaged. Title V was revised in the Education Amendments of 1972 (P.L. 92–318) to emphasize inservice training of education personnel and the attracting of qualified teachers to other priority areas such as the education of migrant children. In S. 2657, the Committee replaces EPDA with an employment/priority needs assessment authority for education personnel, a program of grants for experiments with teacher centers, and a grant program for institutions of higher education wishing to train minority or minority-interest education personnel and to improve post-baccalaureate instruction in schools of education.

In setting forth these new programs, the Committee recognizes basic realities: the "teacher shortage" of the mid- to late-1960's has relaxed to the point of a "surplus" with thousands of qualified teachers seeking but unable to find employment. Severe budget cuts have combined with slowly declining enrollments to create an unfavorable job climate for teachers as well as other education personnel.

The American Federation of Teachers forecasts that by 1985 (assuming current training rates for beginning teachers) "there will be two teachers for every teaching job in the United States, with three million teachers employed and another three million (cumulative between 1975–85) either unemployed or working in another field."

These projections, however, simply reflect the availability of jobs and personnel to fill them. They do not reflect new and changing needs. School districts, caught in a budget squeeze, have dismissed personnel they would have preferred to retain, eliminated "marginal" courses in art and music, and hired beginning teachers rather than experienced teachers for reasons of cost. Staff inservice development programs are non-existent in many districts, and a low priority in others. A reduction in class size—although desirable—has not been practicable in most instances. New programs for children with special needs, ranging from bilingual services and expanded programs for handicapped students to formats for the gifted and talented, have often not been instituted in spite of clear needs.

The Committee is therefore concerned that overall *quantity* of educational personnel not obscure the need for *quality* sufficient to address the full needs of schools and the children they serve. The quality of teachers and the quality of education America's children receive are so closely related as to be inseparable. The Committee therefore sees a clear need to continue the federal interest in developing the education professions, first articulated in the Smith-Hughes Act of 1917 and expanded under various mandates in the intervening years, in order to assure a national perspective on the professional integrity of the education professions, to make certain that Congressionally-mandated programs—such as bilingual education and education for handicapped persons—have the appropriately qualified personnel, and to assure that career education, adult education, and lifelong learning programs can be adequately staffed. The Committee notes the words of Alan Ostar, of the American Association of State Colleges and Universities: "There is no teacher surplus. There is an educational deficit. . . ."

Finally, the Committee did not make negative judgments as to the efficacy of past programs under the Education Professions Development Act. The Committee notes, however, that the course of EPDA, however viable, was clouded by controversial schemes such as "educational renewal," an effort that required statutory intervention to correct. While the Committee is mindful of the need for existing Office of Education personnel, with expertise in present and past programs, to be involved in the new efforts, it should be made clear that a repetition of past leadership, performances, or goals is not desirable. Therefore, the Committee has constructed a review process for both the Congress and the public that has as a major goal the careful and thorough assessment of both policy directions and leadership performance.

Teacher training survey and assessments.—The Committee is concerned at the apparent lack of reliable, current data on employment supply and demand in the education professions and the lack of comprehensive assessments of the capability of teacher training institutions to meet varying priority needs in key education areas. Therefore, the Committee bill directs the National Center for Education Statistics—under supervision of a new Council on Teacher Training Survey and Assessments—to carry out a continuing survey of supply and demand for teachers and administrative personnel to meet the precise needs of schools; to determine what kinds of additional training programs should be mounted to meet emerging needs; and to assess the adequacy of pertinent federal efforts, present and planned, to meet such needs. Reports and recommendations are due to the Congress at least annually.

Governing the survey, and making amplified policy recommendations to the Congress, is the Council on Teacher Training Survey and Assessments, of broad composition from the general teacher training field. In addition to providing its own assessment of the data collected by NCES, together with other surveys and assessments as may be necessary to provide a broad vantage point, the Council shall provide a report to the Congress with emphasis upon how present and emerging needs in the education professions may be met and at what potential cost. The report and subsequent plans for implementing its recommendations shall be subject to public review and comment including a public hearing.

Chief among the Council's responsibilities will be the recommendation regarding "national priority areas" in the educational professions, by special report to the Congress. "National priority areas" are those education areas already determined by the Congress to be priority, or for which the Council provides a recommendation that an area of educational need be designated by the Congress as a new priority.

The Committee regards the full and proper functioning of these new authorities to be of utmost importance to the ability of the Congress to determine and meet changing needs in utilizing the full range of existing resources in the education professions, as well as planning for needs not yet manifest. The Committee will be exercising careful oversight of all aspects of these new processes.

Teacher Centers.—This section authorizes the Commissioner to make grants to local educational agencies to assist them in planning, establishing and operating teacher centers. Such teacher centers are to be operated by local education agencies to serve teachers from public and non-public schools, except that ten percent of the funds expended by the Commissioner under this subsection may be expended on grants to institutions of higher education to operate teacher centers.

Each center shall be operated under the supervision of a teacher center policy board, the majority of which is to be representative of elementary and secondary classroom teachers to be served by such Center. Applications to the Commissioner are to be made through the State educational agency of the appropriate state.

The purposes of these centers are to meet the professional needs of local teachers as defined by the teacher center policy boards. Such programs may include but are not necessarily limited to curriculum development, skill training, introduction to new teaching methods, and exchange of information on new ideas. Recent years have seen increasing and changing demands on schools and their teachers. Since teachers are the most important element in the provision of quality education, and are involved directly in the problems of providing it, they have a particular need for centers whose purposes are to meet their own needs. Through teacher centers they have the opportunity to retrain for changing assignments. The center provides exposure to other teachers and to new ideas and teaching methods.

Training for Higher Education Personnel.—Grants may be made by the Commissioner to institutions of higher education for the purpose of training teachers, administrators, and other education personnel who are from minority or disadvantaged backgrounds including those with limited-English speaking ability, for such personnel preparing to serve students from such backgrounds, or for the further training of education personnel to meet changing national education personnel needs such as the national priority areas. Funds granted under this provision are not intended for the general purposes of the institution or its component unit of education personnel training. Rather, the Committee intends that these moneys be used directly to support the specified training programs, fellowships and traineeships which involve the designated individuals. The Committee expects that applications for support under this program will include sufficient assurances that the institution is able to carry out this expressed intention.

Grants for the Improvement of Graduate Programs of Education.—The Committee finds a compelling need for institutions of higher education engaged in training persons for the education professions to build new and increased capacities for graduate programs that meet changing personnel teacher needs. In keeping with its emphasis on inservice as opposed to preservice programs, the Committee has provided a system of grants to encourage reform at the graduate education training level. Grants may also be used to train faculty for such purposes and to develop cooperative state and local arrangements.

PART F—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

Extension of Authorization

The Committee bill extends the authorization for title VI of the Higher Education Act through fiscal year 1982, at the existing authorization level of $60 million for grants to institutions of higher education for the acquisition of equipment and for minor remodeling. and $10 million for grants for the acquisition of television equipment and minor remodeling.

PART G—CONSTRUCTION OF ACADEMIC FACILITIES

Extension and Revision of Program

The Committee bill extends title VII of the Higher Education Act, relating to construction of academic facilities, through fiscal year 1982. Grants for construction of undergraduate academic facilities are continued at the existing authorization level of $300 million per year. Grants for construction of graduate academic facilities are extended at the current level of $80 million for each year. Similarly, the program of loans for construction of academic facilities is extended at the existing authorization level of $200 million per year.

The Committee bill strikes the alternative interest rate of 3 percent on such loans, making all loans made under this authority bear interest at a yearly rate of no less than one-quarter of one percent above the average annual interest rate on all interest-bearing obligations of the United States. The Committee anticipates that the Treasury Department will advise the Commissioner as to this rate. Given the current money market, 3 percent is an unreasonably low interest rate for a Federal construction loan to bear. Such a low rate could only serve as a disincentive for an institution to repay the loan, since its other obligations would all bear a substantially higher rate of interest.

The Committee bill provides that the Commissioner shall not foreclose on any property under the loan program without first making a determination that the recipient of the loan is likely to cease operations in the immediate future or is otherwise unlikely ever to be capable of repaying it. In addition, the Commissioner is authorized to grant a moratorium on the repayment of principal and interest to a borrower, if he finds such borrower to be temporarily unable to make repayment without undue financial hardship. In such a case, the borrower must make, and the Commissioner approve, a specific plan for repaying the loan, including a repayment schedule. The Commissioner may also grant a borrower the option to pay into the revolving fund an amount he determines, but not more than 75 percent of the current total obligation on the loan. This payment will be in full accord and satisfaction of the debt, if the borrower exercising the option makes the payment from non-Federal sources before October 1, 1979.

The purpose of these Committee amendments is similar—to find alternative means of dealing with institutions which have constructed academic facilities with Federal loans under this program, and now find themselves in financial straits and unable to keep up on their repayments. Existing law does not specify the means by which the Office of Education is to protect the financial interest of the Federal government and carry out the purposes of the title VII program. The Committee intends these amendments to provide guidance and statutory authority for the Commissioner to deal with such situations. In so doing, the Committee intends that existing administrative procedures be continued.

The Committee bill also requires the Commissioner to make loans from unused funds in the revolving fund for reconstruction or renovation of academic facilities, if the primary purpose of the reconstruction or renovation is (1) to conserve energy, (2) to enable the facilities to meet health or safety requirements imposed under Federal law, if such facilities were constructed prior to such requirements, or (3) to make the facilities comply with the provisions of the Architectural Barriers Act of 1968. The Commissioner, in determining the primary purpose of the remodeling, is required to consult with relevant officials, including those in Federal agencies having specific expertise in energy conservation, those responsible for administration of Federal health or safety requirements, the Architectural and Transportation Barriers Compliance Board, and the Administrator of General Services.

The Committee understands that approximately $90 million is frozen in the revolving fund, and that the Administration has refused to make new loans with these monies. The Committee bill is specifically intended to make the Commissioner spend these funds on renovation and reconstruction for the purposes specified in the new section 747.

PART H—NETWORKS FOR KNOWLEDGE

Extension of Authorization

The Committee bill extends title VIII of the Higher Education Act, Networks for Knowledge, through fiscal year 1982, at the existing authorization level of $15 million per year.

PART I—GRADUATE PROGRAMS

Extension and Revision of Graduate Fellowships and Assistance

This section extends all existing authorizations within title IX to fiscal year 1982, and makes certain changes to existing legislation to achieve three objectives intended by the Committee. These objectives are:

(1) To broaden the base for potential use of Federal graduate and professional programs of institutional and individual fellowships;

(2) To develop consistency in provisions affecting the administration of fellowship programs.

(3) To consider state-level impact under institutional grants, and to provide for an annual report by the Commissioner regarding grants and fellowships.

Part A (Grants to institutions of Higher Education) is revised to assure:

(1) That State Planning Commissions (as authorized under Section 1202 of the Higher Education Act) are notified of institutional applications by such institutions, and have an opportunity to provide recommendations regarding such applications;

(2) That the Commissioner shall consider State, regional, and national priorities with respect to the removal of institutional grant applications;

(3) That grants awarded shall also be used to stimulate the development of, and innovation in graduate and professional programs.

Part B is broadened, under the new heading of Fellowships for Graduate and Professional Study, to provide for the awarding of fellowship awards to individuals in other than academic career fields that reflect importance to the national interest, as well as to individuals in academic careers.

Part C (Public Service Fellowships) is broadened to include the award of fellowships to individuals who are other than recent college graduates and to provide additional training to individuals for careers in public service.

Certain other revisions, affecting Part B, Part C, and Part D (Fellowships for Other Purposes) are intended to provide for consistency in the administration of these programs. Specifically, each of these Parts now includes the following provisions regarding:

(1) Duration of Awards

(a) A 36 calendar month duration for any one fellowship award, to which the Commissioner may grant an additional 12 month extension for such award upon application by the recipient;

(b) The interruption of a fellowship award by the recipient for up to 12 months upon specific approval for such interruption by the Commissioner; and

(2) Stipends and Allowances

(a) Levels for stipends of individual recipients, allowances for dependents of recipients and allowances for institutions shall be administered in a manner that is consistent with prevailing practices under comparable federally supported programs.

A new Part E (Annual Report) requires that the Commissioner prepare and submit to the Congress an annual report which:

(1) Describes the authority for and amounts of grants and fellowships awarded during any fiscal year as well as the institutions receiving grants and the institutions attended by fellowship recipients; and

(2) Evaluates the degree to which grants and fellowships awarded during such year contributed to the achievement of intended priorities.

PART J—COMMUNITY COLLEGES AND STATE POSTSECONDARY PLANNING

Extension and Revision of Title X

The Committee bill continues the current law concerning the establishment and expansion of community colleges as title X of the Higher Education Act. The existing part B—Occupational Education—is repealed, as its concepts have been included in the Committee bill in the Vocational Education Act. The Committee bill authorizes $15.7 million per year through fiscal year 1982 for Statewide planning for community colleges and $150 million per year for establishment and expansion of community colleges, the currently authorized level.

Authorization for Statewide Planning

The Committee bill authorizes $4 million for each fiscal year through 1982 to enable planning commissions created pursuant to section 1202 of the Higher Education Act to carry out their Statewide planning activities. Existing law contains an open-ended authorization of "such sums as may be necessary."

It authorizes $2 million in additional funds to be provided to such State Commission to develop and expand their States' efforts toward increased educational planning and cooperation on an interstate and regional basis. Such activities should be designed to increase the accessibility of postsecondary educational opportunities for the residents of the participating States and to assist the States to carry out postsecondary educational programs in a more effective and economical manner. State Commissions are to apply jointly to the Commissioner for grants under this subsection.

These cooperative interstate efforts are seen to have enormous potential to increase the quality and the scope of educational opportunities for the students of different states. Before the advent of interstate cooperation, States were forced in many cases to invest their valuable education resources in the development of specialized programs, even though the same programs were available in neighboring States. Often the expensive programs served only limited enrollments. This kind of duplication led to inefficiencies, higher cost, and lower quality than would have been possible through the cooperative interstate agreements that this amendment encourages.

Several States have adopted model programs that allow the residents of one State to enroll in postsecondary educational programs of the other State at no additional costs. Such arrangements enable students to pursue programs thatt would not otherwise be available to them. They encourage States to plan together for the common needs of their students. They allow them to share programs and thus to avoid unnecessary duplication of their education resources.

Other States in all parts of the country have established cooperative interstate agreements at both the undergraduate and graduate levels. These arrangements include such areas as medical training, veterinary medical, and public health practice.

The Committee intends to encourage these and other similar cooperative educational programs to be continued, expanded, or initiated on an interstate or regional basis.

TITLE II—VOCATIONAL EDUCATION

Extension of Certain Vocational Education Programs

The Committee bill extends existing law concerning vocational education through the fiscal year 1977, at the current level of authorizations. The only increase in authorized appropriations for that fiscal year occurs in the special line item authorization for vocational education for persons with limited English-speaking ability, which is increased from $17.5 million to $40 million.

Effective in fiscal year 1978, the Committee bill totally rewrites existing law, to simplify its provisions and make the Federal effort in vocational education even more effective than it has been in the past. The delay in making this new language effective is intended by the Committee to allow the Office of Education ample opportunity to draw new and simpler regulations to implement the new law. It is also intended to give States ample time to undertake in-depth planning for vocational education programs, long-range and annually, as contemplated by the Committee bill. The Committee encourages both the Office of Education and State and local vocational educators to use fiscal year 1977 wisely, to assure the best possible implementation of the new legislation.

Revision of the Vocational Education Act

Effective in fiscal year 1978, the Committee bill rewrites existing law concerning Federal assistance to vocational education. Such assistance has had a long history in the relatively brief period that the Federal government has been aiding education.

Brief Legislative History

In 1917 Congress enacted one of the earliest Federal grant programs, the Smith-Hughes Act. This legislation represented a milestone in the development of Federal aid to the States for education, incorporating provisions for the allocation of funds, State plans, development of State policymaking boards for the administration of education programs, matching requirements, and annual accountability reports to Congress. These are many of the same provisions carried through, in various forms, in present Federal education laws. The Smith-Hughes Act authorized $7 million for vocational education in agriculture, trades and industry, and home economics, and the training of teachers for these programs.

Since the passage of the Smith-Hughes Act, a series of Federal legislative enactments, notably the George-Barden Act of 1946 and amendments of 1956 and 1958, provided further financial assistance to the States for vocational education programs. The Federal contribution for vocational education had grown from $800,000 in 1918 to $5.14 million in 1962; at the same time, State and local expenditures had increased from $2.2 million in 1918 to $232.4 million in 1962.

It was not until 1961, with President John F. Kennedy's initiation of a major study to be carried out on vocational education, that the Federal vocational education program was the subject of a national evaluation. The final evaluation report, entitled "Education for a Changing World of Work," contained recommendations that the local-State-Federal partnership increase support for (1) high school students preparing to enter the labor market or become homemakers, (2) youths with special needs who have academic, socioeconomic, or other handicaps that prevent them from succeeding in a regular high school vocational program, (3) youths or adults who have completed or left high school and are full-time students preparing to enter the labor market, (4) youths or adults who need training or retraining to achieve employment stability, and (5) adequate services and facilities to assure quality in all vocational education programs.

Congress incorporated many of these major recommendations when it enacted the Vocational Education Act of 1963, Public Law 88–210. The 1963 Act represented a basic shift and expansion of Federal financial assistance to vocational education. The environment in which the Act was framed was important to its outcome. While the Act was being considered, the National experienced a high level of unemployment among the untrained and unskilled. Criticism of vocational education at that time was directed to the alleged failure of vocational education programs to change from the older occupational emphases on agriculture, home economics, and trades to meet the increasingly more sophisticated economy of the 1960's. More implicit was the perceived need for more formal preparation for employment. Vocational education was to become more responsive to the special educational needs of persons with difficulties which prevented them from succeeding in regular vocational education programs—those who were disadvantaged in either a socioeconomic or academic sense.

For the first time, Federal vocational education funds were authorized for the construction of new vocational education schools. Demonstration and research projects were also authorized to help improve the quality of vocational training. In addition, the 1963 Act established authorities for special experimental programs of residential vocational schools to help youths from high unemployment and high school-dropout areas to benefit fully from a vocational education. The 1963 Act retained the Smith-Hughes Act and the George-Barden Act, as amended, intact.

The effects of the Vocational Education Act of 1963 might be assessed in a number of ways—one is to evaluate expenditure growth and another is to examine enrollment developments.

Expenditures.—From fiscal year 1964 to 1966, total State, local, and Federal expenditures for vocational education increased more than twofold, from $330 million in 1964 to $800 million in 1966. Federal grants to the States quadrupled from $55 million in 1964 to $234 million in 1966; State and local expenditures doubled from $278 million in 1964 to $566 million in 1966. Federal money rose from over 16 percent of the total spending for vocational education to more than 29 percent.

Enrollments.—During the same period of fiscal year 1964 to 1966, high school enrollments in vocational education programs rose by 42 percent, postsecondary enrollments by 70 percent, and adult enrollments by 17 percent. However, it is impossible to determine how many of these reported enrollment increases comprised net additions to the number training in vocational education, compared to how many of the reported enrollments were simply shifted from sole State support to Federally aided programs. (The 1963 Act had made training for many more occupations eligible for Federal support.)

The 1963 Act provided for the establishment of an Advisory Council on Vocational Education to review and evaluate vocational education programs in 1966. In 1968 the Council's first report was published. The report found major shortcomings in the implementation of two major objectives of the 1963 Act—first, in preparing students for the world of work and, second, in paying particular attention to those students with special needs. The Council found that in 1967 only one in four high school students was enrolled in vocational education, while five or six high school students never achieved a full college education. In other words, almost 60 percent of high school students entered the world of work without formal preparation to hold a job. In addition, more than half of the high school students who did receive vocational training were being trained in agriculture and home economics, although opportunities in the former were dwindling and the latter was primarily a nonremunerative employment field.

In addition to the training lag, the Council also found many social problems that would have an important bearing on the need for training. They found that each year there were approximately one million high school and college dropouts. Moreover, unemployment rates among the youths were very high, with rates for 16–19 year olds among the highest in the nation. For the age group 16–19, approximately 23 percent of white males, 25 percent of white females, 33 percent of nonwhite males, and 49 percent of nonwhite females were unemployed in 1967, compared to the unemployment rate of 3.8 percent for the total working population.

Vocational Education Amendments of 1968.—In 1968, the Congress enacted major amendments to Vocational Education Act of 1963, which revised and expanded the Federal vocational education program in an attempt to rectify the problems identified by the Advisory Council in the early 1960's. These amendments established a permanent authorization for the basic State grant programs in vocational education, and these authorizations were increased from $225 million in fiscal year 1969 to $565 million in fiscal year 1975 and thereafter. The 1968 amendments specifically identified students with special educational needs, changing the general category of "special needs" in the 1963 Act into two select groups, disadvantaged vocational students and physically and mentally handicapped vocational students. In addition, various percentages of the vocational education basic grant funds were earmarked to be used for these two select groups. At least 15 percent of each State's basic grant had to be used for vocational programs for the disadvantaged, and at least 10 percent of this same grant had to be used for vocational programs for the handicapped. In addition, the 10 percent minimum solely for vocational education programs for those who had completed or left high school—commonly called the postsecondary set-aside—was also included in the 1968 amendments. The Congress saw postsecondary education replacing secondary education as the terminal education program for a majority of American youths. At that time, Congress perceived very few occupations (i.e., clerical, automotive) for which high school training would be adequate. Training beyond high school was also viewed as a necessity in order for vocational education programs to develop and adapt to the need for continuing education in the technical fields, by not only preparing qualified persons for entry-level work, but also for job mobility and promotional opportunities.

Several new categorical programs were created by the 1968 amendments to help make vocational education more relevant to the job market needs of the students and the nation, and to emphasize the relationship between education and employment. These new programs included cooperative education, exemplary programs, curriculum development, and special programs for the disadvantaged.

The Vocational Education Amendments of 1968 represented a new approach for the expenditure of Federal funds. Requirements for separate matching purpose-by-purpose under the Vocational Education Act of 1963 were removed. Taken as a whole, the Smith-Hughes Act, the George-Barden Act, and the Vocational Education Act of 1963 specified 23 purposes, each requiring separate accounting and matching. In addition, within these 23 categories there were four percentage expenditure requirements under the six major purposes of the Act, each of which required a separate matching by purpose. The 1968 amendments consolidated all of these separate matching programs into one overall Statewide matching program. The George-Barden Act was repealed and the Smith-Hughes Act was incorporated as a permanent authority under the Vocational Education Act of 1963.

The purpose of this consolidation was twofold. First, it allowed more flexibility by permitting State boards of vocational education to initiate new programs by investing up to 100 percent in a single new program. School districts and other areas of the State could then absorb the differences, or the State could provide the funds where the local school district could not afford the matching dollars. Under the 1963 Act, economically depressed local districts were unable to start new programs because they did not have dollar-for-dollar matching cash in hand. Second, the 1968 amendments could help large cities and local educational agencies to use Statewide funds for local and city matching requirements.

The 1968 amendments created State advisory councils in order to provide greater participation of a broad spectrum of persons interested in vocational education in the planning and evaluation of State vocational education programs. Federal support for construction of area vocational education schools and work-study programs were also extended by these amendments.

Since the passage of the 1968 amendments, legislative action on vocational education programs has been limited to simple extensions of the programs established and extended by the 1968 amendments, technical amendments, and the establishment of a new bilingual vocational training program for incorporation into the schools and for the training of persons with limited English-speaking ability. This program was adopted in the Education Amendments of 1974, P.L. 93–380.

Introduction

Witness after witness acknowledged the positive impact which the Vocational Education Act of 1963, as amended, has made on national and State vocational education programs.

Samuel Barrett, State Director of Vocational Education for the State of California, in his statement made before the Subcommittee on Education, described it this way:

> The Vocational Education Act of 1963 and the Amendments of 1968 have proven to be sound legislation which has stimulated the expansion of vocational education across the Nation. . . . In California, Federal vocational education funds have played a major catalytic role and have been key to the phenomenal growth of vocational education programs in the past decade. . . .

There are several ways the impact of the Federal vocational education programs can be identified and described, i.e., growth in enrollments in vocational programs at all levels of education; increases in expenditures at the Federal, State, and local levels for vocational education programs, including special needs target groups; growth in the number of institutions offering vocational education courses; and the expansion of programs in training students for occupational areas.

Expenditures.—Total Federal, State, and local expenditures for vocational education programs increased more than 1,045 percent from 1965 to 1973, exceeding $3 billion in 1974. There has been a 86 percent growth since 1970.

Federal expenditures for vocational education increased 354 percent from $103 million in 1965 to $468 million in 1974, while State and local expenditures increased 1,407 percent from $197 million in 1965 to $2.96 billion in fiscal year 1974. The Federal share of the total vocational education expenditures decreased from 34.4 percent in 1965 to 13.6 percent in 1974, while the State/local share increased from 65.6 percent in 1965 to 86.4 percent in 1974.

For the years 1969–1974, the Federal expenditures increased 83 percent from $255 million in 1969 to $468 million in 1974, while the State and local expenditures increased 166 percent from $1.1 billion in 1969 to $2.96 billion in 1974.

EXPENDITURES FOR VOCATIONAL EDUCATION BY LEVEL OF FUNDING FOR FISCAL YEARS 1965–73

[Dollar amounts in thousands]

	Total expenditures (Federal—VEA of 1963)	State/local expenditures	Total	Federa (percent)
1965	$103, 109	$196, 826	$299, 934	34. 4
1966	193, 270	368, 602	561, 873	34. 4
1967	225, 865	555, 358	781, 223	28. 9
1968	230, 420	736, 877	967, 297	23. 8
1969	254, 676	1, 114, 080	1, 368, 757	18. 6
VOCATIONAL EDUCATION AMENDMENTS OF 1968 (ALL PARTS)				
1970	$300, 046	$1, 541, 800	$1, 841, 846	16. 3
1971	396, 378	1, 950, 974	2, 347, 353	16. 9
1972	466, 030	2, 194, 729	2, 660, 759	17. 5
1973	482, 391	2, 551, 267	3, 033, 658	15. 9
1974	468, 197	2, 965, 623	3, 433, 820	13. 6

State and local expenditures greatly overmatched the Federal dollar. In 1965 for every Federal dollar spent on vocational education the States spent just under $2.00. In 1973, the States spent $5.29 for every Federal dollar on vocational education programs. In the table below is a compilation of matching ratios for the period of one year before and the years subsequent to the Vocational Education Amendments of 1968. A slightly decreasing trend in overmatching is indicated after 1970 until 1973, when a new high is reached. Even though the State and local expenditures increased greatly during this period, the rate of increase fell behind the Federal increase, except in 1973 when the Federal increase was less than the State and local. In 1969 the number of State and local dollars to each Federal dollars was $4.37. In fiscal year 1970 the number was $5.14, with ten States exceeding the national average. In 1971 the number was $4.92, with 17 States exceeding the national average. In 1972, 18 States exceeded the national average of $4.71; in 1973, 19 States exceeded the national average of $5.29. Relating 1973 to 1970, 31 States increased their ratios of State and local expenditures to Federal expenditures.

STATE AND LOCAL FUNDS EXPENDED PER DOLLAR OF FEDERAL FUNDS, FISCAL YEARS 1969-73

	1969	1970	1971	1972	1973
Total	$4.37	$5.14	$4.92	$4.71	$5.29
Alabama	3.22	3.80	3.01	2.64	2.68
Alaska	3.87	3.37	4.30	4.45	5.50
Arizona	2.94	2.72	2.61	3.14	3.54
Arkansas	1.98	2.04	1.72	2.01	2.25
California	3.50	6.57	5.01	5.92	6.34
Colorado	2.93	2.82	4.34	4.90	5.03
Connecticut	7.54	9.24	6.77	9.10	6.47
Delaware	5.49	1.14	5.52	6.24	5.71
District of Columbia	2.55	2.77	1.31	2.79	1.21
Florida	5.09	3.65	5.24	5.10	7.74
Georgia	3.04	3.72	3.15	2.42	2.86
Hawaii	2.05	2.71	3.29	2.45	2.85
Idaho	2.43	2.63	2.42	2.02	2.52
Illinois	2.70	7.76	9.80	8.53	9.19
Indiana	2.73	1.69	1.84	2.08	2.16
Iowa	5.49	5.07	5.27	4.46	4.84
Kansas	2.73	2.59	2.55	2.75	3.06
Kentucky	2.98	3.94	3.36	2.71	2.69
Louisiana	1.93	1.67	1.60	2.07	2.43
Maine	3.01	2.56	3.26	5.12	4.56
Maryland	4.80	7.39	7.77	8.96	7.45
Massachusetts	6.74	12.96	11.53	11.58	10.55
Michigan	3.65	2.75	2.45	3.49	2.78
Minnesota	4.50	4.92	5.12	5.29	8.89
Mississippi	2.06	2.12	2.65	2.55	3.33
Missouri	3.92	4.16	2.92	3.51	3.03
Montana	2.53	2.96	2.60	2.93	3.10
Nebraska	1.94	2.36	2.68	2.39	2.82
Nevada	3.70	4.31	3.02	2.57	2.56
New Hampshire	5.49	3.57	2.62	3.44	2.65
New Jersey	4.02	3.01	2.26	2.13	3.99
New Mexico	2.05	1.74	2.15	2.13	4.07
New York	12.75	16.29	8.85	8.72	10.20
North Carolina	4.59	5.70	5.48	5.33	6.01
North Dakota	2.53	2.80	2.14	1.85	2.31
Ohio	3.41	5.72	7.84	5.18	5.32
Oklahoma	3.49	3.57	3.76	2.67	3.43
Oregon	5.15	2.11	4.42	4.26	10.43
Pennsylvania	6.24	5.74	6.81	5.22	6.01
Rhode Island	2.50	4.01	4.08	4.03	2.65
South Carolina	3.40	2.95	1.94	1.64	1.98
South Dakota	1.61	2.22	1.58	1.55	2.05
Tennessee	2.10	2.20	2.76	3.21	3.21
Texas	3.15	3.16	4.07	3.97	3.50
Utah	5.91	3.99	5.35	4.93	6.11
Vermont	4.55	4.24	7.46	8.81	5.72
Virginia	3.31	3.32	3.01	2.67	3.42
Washington	5.71	9.04	5.05	4.95	8.38
West Virginia	2.68	1.92	1.72	1.77	2.32
Wisconsin	7.09	7.52	6.63	6.78	7.30
Wyoming	2.74	3.76	3.85	4.47	3.49
American Samoa			.81	.94	
Guam	1.21	1.22	1.24	3.23	3.97
Puerto Rico	2.11	2.17	1.85	1.82	2.68
Trust Territory		21.79	7.48	4.87	5.86
Virgin Islands	5.23	12.91	4.93	5.02	

Source: Bureau of Occupational and Adult Education, fiscal year 1973 annual report. Vocational Education, State-by-State Analysis of Expenditures, Enrollments, and Completions, p. 7.

Federal expenditures for vocational education, by purpose outlined in the Act, show an increase for secondary programs from 22.7 percent in 1970 to 33.1 percent in 1973. Other programs showing increases are disadvantaged, handicapped, ancillary services, and guidance and counseling. Postsecondary expenditures remained rather stable at about 23 percent. Expenditures for the disadvantaged only slightly exceed the statutory minimum of 15 percent, and those for the handicapped are only slightly over the mandated 10 percent. Expenditures for construction of area vocational schools declined to about nine percent. Only a small amount of funds are expended under the contracting provisions of the Act.

TOTAL EXPENDITURES FROM VOCATIONAL EDUCATION ACT OF 1963, AS AMENDED, [illegible] PURPOSE, FISCAL YEAR 1970–73

[Dollar amounts in thousands]

	1970		1971		1972		1973	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
Secondary	$60,964	22.7	$88,363	27.9	$109,045	29.5	$126,531	33.1
Postsecondary	61,291	22.9	72,107	28.2	82,230	22.5	91,191	23.9
Adult	12,453	4.6	15,983	5.1	21,482	5.8	19,104	5.0
Disadvantaged	42,353	15.8	51,819	16.3	63,565	17.2	66,315	17.4
Handicapped	21,408	8.0	33,871	10.7	37,900	10.2	43,235	11.3
Construction	34,430	12.9	51,477	16.2	55,701	15.0	35,423	9.3
Ancillary services	28,165	10.5	40,072	12.8	50,179	13.6	63,074	16.3
Guidance and counseling	4,260	1.5	7,333	2.3	10,141	2.7	11,776	3.0
Contracted instruction	1,209	.4	1,488	.5	507	.1	1,349	.3
Total	[1] 300,046	100.0	[1] 317,083	100.0	[1] 370,113	100.0	[1] 387,664	100.0

[1] Total not sum of purposes due to the inability of a few States to allocated ancillary services by level.

Enrollments.—Total vocational education enrollments increased 151 percent from 1965, with enrollments growing from 5,404,000 in 1965 to 13,555,639 in 1974. Between 1969 and 1974 total enrollments increased 73 percent.

VOCATIONAL EDUCATION ENROLLMENTS BY LEVEL FOR 1965, 1969, AND 1974

	1965		1969		1974	
	Number	Percent	Number	Percent	Number	Percent
Total enrollment	5,404,000	100	7,835,946	100	13,555,639	100
Secondary	2,819,000	52	4,079,395	52	8,433,750	62
Postsecondary	207,000	3	706,085	9	1,572,779	12
Adult	2,378,000	44	3,050,466	39	3,549,110	26

According to the American Vocational Association, vocational education has succeeded in reaching the general population. In 1961 there were 21.4 persons for every 1000 population in vocational education programs. In 1966, this figure was 31.3, and in 1974 it reached 62.97.

Secondary.—Within each year since 1965 the highest portion of the total vocational education enrollments was in the secondary level. Secondary enrollments increased 199 percent between 1965 and 1974, growing from 2,819,000 to 8,433,750. Between 1969 and 1974, secondary enrollments increased 107 percent. In 1965, 52 percent of the total vocational education enrollment was in secondary level programs. This portion remained consistent through 1969. In 1974 this portion increased to 62 percent of total vocational education enrollments.

The following chart presents State-by-State secondary enrollment growth between 1971 and 1974. Of these data, only 4 States (Hawaii, Illinois, Iowa, and Minnesota) show decreases in secondary enrollment growth; however, none of these States showed decreases of more than

11 percent. Five States and the District of Columbia showed increases of over 100 percent; the high was Vermont with a percentage increase of 192 percent. The national average was 29.8 percent. (Data may not be comparable between the State for these particular years due to the differences in the States in including ninth grade and below in their secondary enrollment data.)

SECONDARY VOCATIONAL EDUCATION ENROLLMENT AND PERCENT OF CHANGE, FISCAL YEARS 1971, 1972, 1973, AND 1974

States	Secondary vocational education enrollment				Percent of change			
	1971	1972	1973	1974	1971-72	1972-73	1973-74	1971-74
U S total	[1] 6,487,446	[1] 7,211,527	7,348,666	8,387,026	[1] 11.16	1.90	14.13	29.28
Alabama	95,412	102,102	112,496	127,637	7.01	10.18	13.46	33.77
Alaska	8,575	11,874	13,686	15,124	38.47	15.26	10.51	76.37
Arizona	50,719	51,117	63,090	80,859	.78	23.42	28.16	59.43
Arkansas	59,140	67,351	69,841	77,552	13.88	3.70	11.04	31.13
California	553,918	592,622	542,436	640,918	6.99	8.47–	18.16	15.71
Colorado	59,080	52,043	53,960	72,710	11.91–	3.68	34.75	23.07
Connecticut	98,045	143,229	148,443	223,860	46.08	3.64	50.81	128.32
Delaware	32,610	38,153	43,298	43,737	17.00	13.49	1.01	34.12
District of Columbia	5,821	5,706	12,383	11,855	1.98–	117.02	4.26–	103.66
Florida	224,468	353,210	385,949	625,162	57.35	9.27	61.98	178.51
Georgia	174,144	178,222	226,504	253,562	2.34	27.09	11.95	45.60
Hawaii	28,760	23,893	20,230	25,898	16.92–	15.33–	28.02	9.95–
Idaho	21,894	22,686	24,582	28,584	3.62	8.36	15.28	30.56
Illinois	1,118,981	1,262,934	962,439	1,010,898	12.87	23.79–	5.04	9.65–
Indiana	86,479	101,506	105,760	107,292	17.38	4.19	1.45	24.07
Iowa	50,211	52,394	53,610	44,854	4.35	2.32	16.33–	10.67–
Kansas	42,447	49,023	47,600	58,210	15.49	2.90–	22.29	37.14
Kentucky	87,872	99,169	111,510	119,260	12.86	12.44	6.95	35.72
Louisiana	126,251	126,184	130,352	135,306	.05–	3.30	3.80	7.17
Maine	16,498	16,811	25,934	25,986	1.90	53.67	.59	57.51
Maryland	121,655	160,983	182,217	175,815	32.33	13.19	3.51–	44.52
Massachusetts	95,411	121,684	131,750	143,308	27.54	8.27	8.77	50.20
Michigan	164,234	182,185	185,978	207,622	10.93	2.08	11.64	26.42
Minnesota	171,954	177,203	153,552	158,411	3.05	13.35–	3.16	7.88–
Mississippi	59,473	63,543	71,931	76,482	6.84	13.20	6.33	28.60
Missouri	105,171	118,051	73,116	135,063	12.25	38.06–	84.72	28.42
Montana	16,707	21,333	23,448	34,405	27.69	9.91	46.73	105.93
Nebraska	38,336	41,113	48,458	55,043	7.24	17.87	13.59	43.58
Nevada	13,141	15,787	26,050	17,618	20.14	65.01	32.37–	34.07
New Hampshire	39,470	27,785	29,811	49,719	29.60–	7.29	66.78	25.97
New Jersey	218,742	232,657	246,272	270,822	6.36	5.85	9.97	23.81
New Mexico	38,732	44,718	53,762	57,198	15.45	20.22	6.39	47.68
New York	607,711	648,717	664,659	639,268	6.75	2.46	3.82–	5.19
North Carolina	200,729	231,751	255,212	294,329	15.45	10.12	15.33	46.63
North Dakota	16,470	20,067	24,353	28,278	21.84	21.36	16.12	71.69
Ohio	209,870	230,983	363,238	403,500	10.06	57.26	11.08	92.26
Oklahoma	61,518	62,041	69,022	70,876	.85	11.25	2.69	15.21
Oregon	65,756	74,899	71,271	78,179	13.90	4.84–	9.69	18.89
Pennsylvania	184,619	189,073	231,340	246,286	2.41	12.83	15.44	33.40
Rhode Island	12,026	13,250	19,713	19,654	10.18	48.78	.30–	63.43
South Carolina	79,411	85,407	103,493	108,100	7.55	21.18	4.45	36.13
South Dakota	18,291	19,537	21,214	22,559	6.81	8.58	6.34	23.33
Tennessee	95,472	96,495	97,992	104,438	1.07	1.55	6.58	9.39
Texas	327,684	329,887	349,478	413,056	.67	5.94	18.19	26.05
Utah	78,947	76,858	69,149	111,833	2.65–	10.03–	61.73	41.66
Vermont	10,449	12,192	14,335	[2] 30,551	16.68	17.58	113.12	192.38
Virginia	188,674	194,224	230,143	246,008	2.94	18.49	6.89	30.39
Washington	116,548	121,536	119,761	122,728	4.28	1.46–	2.48	5.30
West Virginia	33,176	38,524	41,215	46,815	16.12	6.99	13.59	41.11
Wisconsin	59,129	103,278	130,563	128,003	74.67	26.42	1.96–	116.48
Wyoming	14,113	17,181	15,806	16,615	21.74	8.00–	5.12	17.73
Puerto Rico	82,597	88,356	94,361	145,180	6.97	6.80	53.86	75.77

[1] Figures in this column differ from figures shown in volumes I and II of "Learning a Living Across the Nation," because students below grade 9 have been added to secondary enrollment and therefore, to total vocational education enrollment.

[2] This figures includes 13,758 career education students (K-6) not reported in previous fiscal years.

Source: U.S. Office of Education forms 3318 and 346-3, U.S. Department of Health, Education, and Welfare, Washington, D.C., fiscal years 1971, 1972, 1973, and 1974.

Another means of reviewing the growth of secondary enrollments is comparing secondary vocational education enrollments (9–12th grade) to the total secondary enrollment. Even though total secondary enrollment has stabilized, the number of secondary students enrolled in vocational education continues to increase. In 1974, 47.2 percent of the total secondary population was enrolled in programs of vocational education. When considering only vocational education programs which prepare for gainful employment, enrollment in vocational programs increased from 24.3 percent in 1971 to 33.1 percent in 1974. The recent emphasis on prevocational programs (below 9th grade) has resulted in an increased number of junior high school enrollments. When comparing the total secondary vocational enrollments to the total secondary enrollments, using grades 7–12, 33.5 percent were enrolled, with 22.1 percent in gainful programs in 1973.

Postsecondary.—The largest percentage increases in vocational education enrollments occurred in this group. Enrollments increased 660 percent, from 207,000 in 1965 to 1,572,799 in 1974. Since 1965 postsecondary enrollments have also increased in terms of their portion of the total vocational education enrollments, from three percent in 1965 to 12 percent of the total enrollments in 1974. However, of such total enrollments, postsecondary enrollments continue to rank third behind secondary and adult enrollments.

The continued growth in postsecondary vocational education programs can at least in part be attributed to the 15 percent minimum reserved in the States' basic vocational education grant for the establishment, operation, and maintenance of programs in postsecondary vocational education. As mentioned earlier, "postsecondary" vocational education, under the definition contained in the Act, may also provide the student with training which will make him or her more mobile in a career choice, and perhaps better assure a better entry level into the job market.

The table below presents State-by-State postsecondary growth between 1971 and 1974. Two States (New Mexico and Utah) and the District of Columbia showed decreases in postsecondary enrollment. Eight States showed increases of more than 100 percent, and Delaware, Nevada, and South Carolina showed increases of more than 200 percent. The national average percentage increase between 1971 and 1974 was 42.59 percent.

POST SECONDARY VOCATIONAL EDUCATION ENROLLMENT AND PERCENT OF CHANGE, FISCAL YEARS 1971, 1972, 1973, AND 1974

Staets	Post-secondary vocational education enrollment 1971	1972	1973	1974	Percent of change 1971-72	1972-73	1973-74	1971-74
U.S. total	1,116,044	1,277,456	1,349,465	1,591,400	14.46	5.64	17.93	42.59
Alabama	17,041	19,853	20,812	25,004	16.50	4.83	20.14	46.73
Alaska	806	2,814	1,653	1,124	249.13	41.26—	32.00—	39.45
Arizona	22,281	38,318	53,218	58,732	71.98	38.89	10.36	163.60
Arkansas	6,324	6,240	6,620	7,475	1.33—	6.09	12.92	18.20
California	338,564	329,635	302,327	398,911	2.64—	8.28—	31.95	17.82
Colorado	14,274	14,964	18,136	19,749	4.83	21.20	8.89	38.36
Connecticut	6,674	6,977	6,739	8,057	4.54	3.41—	19.56	20.72
Delaware	718	1,249	1,304	6,442	73.96	4.40	394.02	797.21
District of Columbia	1,144	1,653	892	906	44.49	46.04—	1.57	20.80—
Florida	69,634	75,173	110,825	104,950	7.95	47.43	5.30—	50.72
Georgia	14,814	26,262	26,769	24,890	77.28	1.93	7.02—	68.02
Hawaii	6,787	10,107	11,640	7,598	48.92	15.17	34.73—	11.95
Idaho	2,820	3,255	3,777	4,275	15.43	16.04	13.19	51.60
Illinois	62,186	89,168	77,870	81,469	43.39	12.67—	4.62	31.01
Indiana	6,213	7,529	7,990	9,442	21.18	61.2	18.17	51.97
Iowa	13,584	15,996	16,544	18,355	17.76	3.43	10.95	35.12
Kansas	7,393	9,283	7,935	8,638	25.56	14.52—	8.86	16.84
Kentucky	9,308	12,844	12,900	13,838	37.99	0.44	7.27	48.67
Louisiana	19,076	19,375	22,125	23,621	1.57	14.19	6.76	23.83
Maine	1,628	2,065	2,259	2,438	26.84	9.39	7.92	49.75
Maryland	12,758	19,522	19,170	29,325	53.02	1.80—	52.97	129.86
Massachusetts	8,711	13,019	14,322	16,713	49.45	10.01	16.69	91.86
Michigan	42,632	63,216	57,800	67,105	48.28	8.57—	16.10	57.41
Minnesota	20,122	21,130	24,239	30,565	5.01	14.71	26.10	51.90
Mississippi	8,268	8,812	9,526	10,628	6.58	8.10	11.57	28.54
Missouri	11,797	14,282	8,678	14,256	21.06	39.24—	64.28	20.84
Montana	3,218	4,125	5,324	3,352	28.19	29.07	37.04—	4.16
Nebraska	5,362	7,180	8,189	9,494	33.91	14.05	15.94	77.06
Nevada	1,936	2,050	4,250	6,342	5.89	107.32	49.22	227.58
New Hampshire	1,820	2,011	2,123	2,241	10.49	5.57	5.56	23.13
New Jersey	20,530	16,974	21,147	30,738	17.32—	24.56	45.35	49.72
New Mexico	6,078	5,099	5,055	5,362	16.11—	.86—	6.07	11.78—
New York	58,965	62,883	64,621	74,197	6.64	2.76	14.82	25.83
North Carolina	42,536	46,421	54,650	64,214	9.13	17.73	17.50	50.96
North Dakota	4,117	4,037	5,016	5,304	4.62	16.46	5.74	28.83
Ohio	13,911	20,196	22,537	23,002	45.11	11.65	2.06	65.35
Oklahoma	5,322	5,832	8,174	9,899	9.[illegible]	40.16	21.10	86.00
Oregon	15,243	22,444	25,561	29,417	47.24	13.89	15.09	92.99
Pennsylvania	27,381	29,844	31,860	36,379	9.00	6.76	14.18	32.86
Rhode Island	1,081	1,058	946	2,545	2.13—	10.59—	169.03	135.43
South Carolina	3,200	7,463	7,200	34,161	32.22	3.52—	374.46	967.53
South Dakota	1,806	2,002	2,126	2,297	10.85	6.19	8.04	27.19
Tennessee	16,346	17,773	20,695	23,144	8.73	16.44	11.83	41.59
Texas	41,912	52,508	62,708	72,131	25.28	19.43	15.03	72.10
Utah	12,294	13,059	9,823	10,071	6.22	24.78—	2.52	18.08—
Vermont	173	212	215	[1] 5262	22.54	1.42	21.86	51.45
Virginia	15,833	18,807	22,007	23,424	18.78	17.01	6.44	47.94
Washington	34,292	33,105	36,607	38,054	3.46—	10.58	3.95	10.97
West Virginia	2,014	2,685	2,566	4,216	33.32	4.43—	64.30	109.33
Wisconsin	38,136	48,990	61,085	67,310	28.46	24.69	10.19	76.50
Wyoming	1,436	1,617	2,655	3,182	12.60	64.19	19.85	121.59
Puerto Rico	15,545	16,080	16,255	16,155	3.44	1.09	.62—	3.92

[1] This figure includes approximately 30 manpower training students not reported in previous fiscal years.

Source: U.S. Office of Education forms 3138 and 346-3, U.S. Department of Health, Education, and Welfare, Washington, D.C., fiscal years 1971, 1972, 1973, and 1974.

Using enrollments in two-year institutions of higher education as a base figure, enrollment in postsecondary vocational education programs constituted 46.3 percent of these enrollments. Twenty-nine States exceeded the national average.

POSTSECONDARY VOCATIONAL EDUCATION ENROLLMENT COMPARED WITH ENROLLMENT IN 2-YEAR COLLEGE PROGRAMS, FISCAL YEAR 1973

State	Enrollment in 2-yr college programs[1]	Vocational education postsecondary— Enrollment	Vocational education postsecondary— As percent of 2-yr college enrollment
Total	2,917,253	1,349,731	46.3
Alabama	32,737	20,812	63.6
Alaska	330	1,653	500.9
Arizona	66,941	53,218	79.5
Arkansas	3,945	6,620	167.8
California	960,058	302,327	31.5
Colorado	27,617	18,136	65.7
Connecticut	31,015	6,739	21.7
Delaware	8,482	1,304	15.4
District of Columbia	5,457	892	16.3
Florida	136,022	110,825	81.5
Georgia	30,331	26,769	88.3
Hawaii	15,699	11,640	74.1
Idaho	7,443	3,777	50.7
Illinois	190,686	77,870	40.8
Indiana	8,703	7,990	91.8
Iowa	26,134	16,544	63.3
Kansas	23,857	7,935	33.3
Kentucky	1,643	12,900	785.1
Louisiana	5,910	22,125	374.4
Maine	1,654	2,259	136.6
Maryland	59,782	19,170	32.1
Massachusetts	59,146	14,322	24.2
Michigan	155,312	57,800	37.2
Minnesota	24,764	24,239	97.9
Mississippi	27,196	9,526	35.0
Missouri	40,072	8,678	21.7
Montana	2,147	5,324	248.0
Nebraska	6,748	8,189	121.4
Nevada	6,940	4,250	61.2
New Hampshire	2,562	2,123	82.9
New Jersey	69,160	21,147	30.6
New Mexico	1,446	5,055	349.6
New York	247,984	64,621	26.1
North Carolina	67,756	54,650	80.7
North Dakota	5,349	5,016	93.8
Ohio	55,576	22,537	40.6
Oklahoma	26,623	8,174	30.7
Oregon	55,988	25,561	45.7
Pennsylvania	58,919	31,860	54.1
Rhode Island	5,511	946	17.2
South Carolina	22,675	7,200	31.8
South Dakota	448	2,126	474.6
Tennessee	21,865	20,695	94.6
Texas	157,104	62,708	39.9
Utah	10,317	9,823	95.2
Vermont	3,427	215	6.3
Virginia	55,919	22,007	39.4
Washington	98,855	36,607	37.0
West Virginia	8,363	2,566	30.7
Wisconsin	61,618	61,085	99.1
Wyoming	7,106	2,655	37.4
American Samoa	5,911	....	....
Guam		31	....
Puerto Rico		16,255	274.0
Trust Territory		235	....
Virgin Islands		....	....

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[1] Opening fall enrollment, prepublication release, NCES, December 1973.

Adult.—Adult enrollments had the slowest rate of growth between 1965 and 1974. Enrollments increased 49 percent, from 2,378,000 in 1965 to 3,549,110 in 1974. Between 1969 and 1974 this rate of increase was 16 percent, with a growth in enrollment of a little under 500,000.

The adult portion of the total vocational education enrollment makes up the second largest group, with 26 percent of the total enrollees in the adult level programs in 1974.

The table below describes the rate of growth for adult programs between 1971 and 1974. Thirteen States showed decreases in the growth rate for the adult programs between these years. In five States these decreases amounted to over 20 percent. Four States (Alabama, Delaware, Maine, and North Dakota) showed increased rates of growth, with Delaware's increases amounting to 334 percent. The national average growth rate for adult enrollments for 1971–1974 was 22.6 percent. This was the lowest of the three traditional levels of vocational education (secondary—29.28 percent—and postsecondary—42.59 percent).

ADULT VOCATIONAL EDUCATION ENROLLMENT AND PERCENT OF CHANGE, FISCAL YEARS 1971, 1972, 1973, AND 1974

States	Adult vocational education enrollment				Percent of change			
	1971	1972	1973	1974	1971-72	1972-73	1973-74	1971-74
U.S. total	2,881,735	3,089,626	3,366,630	3,533,634	7.21	8.97	4.96	22.62
Alabama	41,118	44,543	52,889	82,947	8.33	18.74	56.83	101.73
Alaska	3,847	6,258	9,588	4,999	62.67	53.21	47.86-	29.95
Arizona	15,880	14,209	18,683	24,837	10.52-	31.49	32.94	56.40
Arkansas	43,587	42,292	42,771	45,355	2.97-	1.13	6.04	4.06
California	325,573	311,663	383,019	386,342	4.27-	22.90	.87	18.67
Colorado	35,037	34,514	37,303	27,737	1.49-	8.08	25.64-	20.84-
Connecticut	28,829	24,830	25,051	27,879	13.87-	.89	11.29	3.30-
Delaware	3,054	4,025	4,327	13,263	31.79	7.50	206.52	334.28
District of Columbia	4,183	3,454	2,954	2,169	17.43-	14.48-	26.57-	48.15-
Florida	167,437	176,495	212,232	207,907	5.41	20.25	2.04-	24.17
Georgia	83,244	101,120	90,804	101,406	21.47	10.20-	11.68	21.82
Hawaii	8,955	11,100	11,224	11,444	23.95	1.12	1.96	27.79
Idaho	5,706	7,514	8,338	7,690	31.69	10.97	7.77-	34.77
Illinois	46,775	27,612	50,313	42,161	40.97-	82.21	16.20-	9.86-
Indiana	38,646	45,521	43,602	50,394	17.79	4.22-	15.58	30.40
Iowa	64,116	65,052	92,354	122,634	1.46	41.97	32.79	91.27
Kansas	47,290	46,723	42,547	31,185	1.20-	8.94-	26.70-	34.06-
Kentucky	48,144	52,856	60,909	61,025	9.79	15.24	.19	26.76
Louisiana	29,046	30,753	32,561	35,002	5.88	5.88	7.50	20.51
Maine	5,338	10,996	12,238	12,261	105.99	11.30	.19	129.69
Maryland	28,348	34,809	30,626	25,287	22.79	12.02-	17.43-	10.80
Massachusetts	17,828	29,096	29,986	26,895	63.20	3.06	10.31-	50.86
Michigan	113,189	97,584	107,295	106,267	13.79-	9.95	.96-	6.12-
Minnesota	94,126	103,118	118,633	120,579	9.55	15.05	1.64	28.10
Mississippi	38,771	42,930	44,513	47,276	10.73	3.69	6.21	21.94
Missouri	33,288	36,176	21,686	30,324	8.68	40.05-	39.83	8.90-
Montana	7,403	8,726	4,397	4,813	17.87	49.61-	9.46	34.99-
Nebraksa	21,620	25,564	27,331	32,426	18.24	6.91	18.64	49.98
Nevada	3,578	4,098	5,759	5,053	14.53	40.53	12.26-	41.22
New Hampshire	2,884	5,378	6,549	5,486	86.48	21.77	16.23-	90.22
New Jersey	90,510	92,773	96,087	97,625	2.50	3.57	1.60	7.86
New Mexico	7,795	7,201	7,161	6,695	7.62-	.56-	6.51-	14.11-
New York	165,146	208,321	223,482	227,417	26.14	7.28	1.76	37.71
North Carolina	172,584	209,221	234,753	189,581	21.23	12.20	19.24-	9.85
North Dakota	5,628	8,263	7,541	11,904	46.82	8.74-	57.86	111.51
Ohio	193,196	195,988	200,907	222,639	1.45	2.51	10.82	15.24
Oklahoma	38,045	40,145	35,169	47,157	5.52	12.40-	34.09	23.95
Oregon	30,825	37,331	32,979	32,912	21.11	11.66-	.20-	6.77
Pennsylvania	125,835	108,541	111,100	108,505	13.74-	2.36	2.34-	13.77-
Rhode Island	5,263	5,684	4,503	4,094	8.00	20.78-	9.08-	22.21-
South Carolina	19,761	18,272	15,108	16,177	7.54-	17.32-	7.08	18.14-
South Dakota	5,276	4,831	6,023	5,494	8.43-	24.67	8.78-	4.13
Tennessee	31,754	38,493	44,377	53,586	21.22	15.29	20.75	68.75
Texas	238,656	265,484	298,850	335,266	11.24	12.57	12.19	40.48
Utah	17,558	25,270	27,041	28,651	43.92	7.01	5.95	63.18
Vermont	2,819	4,549	4,223	4,873	61.37	7.17-	15.39	72.86
Virginia	97,397	123,352	119,665	131,328	26.65	2.99-	9.75	34.84
Washington	80,145	91,930	106,503	136,648	14.70	15.85	28.30	70.50
West Virginia	24,024	22,293	19,971	24,301	7.21-	10.42-	21.68	1.15
Wisconsin	92,484	101,227	110,259	114,778	9.45	8.92	4.10	24.11
Wyoming	962	988	1,487	1,599	2.70	50.51	7.53	66.22
Puerto Rico	29,232	30,460	28,959	29,361	4.20	4.93-	1.39	.44

Source: U.S. Office of Education forms 3138 and 346-3, U.S. Department of Health, Education, and Welfare, Washington, D.C., fiscal years 1971, 1972, 1973, and 1974.

Special needs categories.—The Vocational Education Amendments of 1968 eliminated the purpose-by-purpose matching requirements and provided for State-wide matching of a State's basic vocational education funds. The Amendments also provided that at least 15 percent of each State's allotment be used for vocational education programs for the disadvantaged, and that at least 10 percent of each State's allotment be used for programs for the handicapped. These particular set-asides were established to provide a base amount each State must use for programs for students with special needs, and to provide an incentive for the States to target more of their funds on these special needs categories. This was done basically because it was found during the consideration of the 1968 Amendments that, of the more than $980 million spent for vocational education programs under the 1963 Act, only $19.8 million (or about 2 percent) of the Federal funds were spent on these special needs programs.

During the period 1965–1969, enrollment for persons with special needs increased from 25,638 to 143,420, or 42 percent. Under the 1968 Amendments, special needs enrollments rose from 143,420 in 1969 to 1,846,253 in 1974, an increase of 1,187 percent. In 1974, handicapped enrollments reached 234,085, and enrollments of the disadvantaged were over 1.6 million.

In fiscal year 1969, State and local matching funds for special needs programs were 77 percent. These matching funds decreased to 61 percent in fiscal year 1973.

FEDERAL EXPENDITURES FOR PROGRAMS FOR PERSONS WITH SPECIAL NEEDS, FISCAL YEARS 1965 TO 1973

[Dollar amounts in thousands]

Year	Total expenditures Vocational Education Act of 1963	Expenditures special needs	Percent of total
1965	$103,109	$346	0.34
1966	193,270	1,853	.96
1967	225,865	3,559	1.58
1968	230,420	6,167	2.68
1969	227,527	7,884	3.47

VOCATIONAL EDUCATION AMENDMENTS OF 1968

	(Pt. B only)	All vocational education	(Pt. B)	All vocational education	(Percent of pt. B)	Percent of total
1970	($265,812)	$300,046	($63,761)	$71,361	(24.0)	24.0
1971	(317,083)	396,378	(85,691)	107,137	(27.0)	27.0
1972	(370,133)	466,030	(101,465)	122,439	(27.3)	26.3
1973	(387,644)	482,391	(109,550)	131,430	(28.7)	27.2
1974	(374,581)	468,197	(108,784)	131,186	(29.0)	28.0

In 1974, over 30 percent of the Federal dollars supported programs for students with special needs. Although there are no matching requirements for these special group minimums in the current law, Federal dollars used for specific programs for the disadvantaged are matched about two-to-one by the States, and programs for the handicapped about one-to-one. This is substantially below the overall matching ratio of almost 5½ to one for all vocational education programs.

Area Vocational Schools and Community and Junior Colleges.—Since the 1963 Vocational Education Act, when Federal funds were first authorized for the construction of new vocational schools, such funds have been used to build area vocational schools and postsecondary facilities. With these construction funds, more such schools have been built, expanding the accessibility of vocational education programs to reach increased numbers of individuals in rural areas, smaller school district, and local areas where postsecondary education was limited.

Area Vocational Schools.—According to testimony before the Committee of the American Association of Community and Junior Colleges, area vocational schools have increased from 394 in 1965 to 2,452 in 1975. In 1965, 24 States and the District of Columbia offered vocational education programs at area vocational schools; in 1975 all 50 States and the District of Columbia have such schools. In 1975 there were seven States (Alabama, California, Georgia, Ohio, Texas, Virginia, and Washington) with more than 100 area schools.

Total Federal, State, and local vocational education expenditures for area school construction increased from $108 million in 1965, to support 214 projects, to $194 million in 1973, to suppert 368 projects. The Federal share of these expenditures decreased from 36 percent in 1965 to 18 percent in 1973.

Community and Junior Colleges.—In 1965, only 13 percent of community college enrollments were in occupational education programs. In 1973, 44 percent of all community college students initially enrolled in occupational education programs. There were 544 community colleges and technical institutes offering vocational programs in 1965. In 1974 this number rose to 1,756 such schools. Much of this growth can be attributed to the Federal funding for construction and the postsecondary 15 percent minimum under the Act.

Program growth.—The Vocational Education Act of 1963, as amended, gave the States greater flexibility in establishing and maintaining vocational training programs in many occupational fields which require less than a baccalaureate degree. According to the Office of Education, the largest percentage increases in programs from 1971 to 1973 were in floristry, industrial marketing, recreation and tourism, medical laboratory technology, associate degree nurse programs, occupational therapy assistant programs, mental health technology, medical assistant training, health aide programs, care and guidance of children, clothing management, home furnishing, institutional and home management, automotive technology, environmental control technology, air pollution technology, water and waste technology, appliance repair, electrical occupations, fabric maintenance, maritime occupations, and small engine repair. Obviously, vocational education programs are adapting to changing societal needs.

Because the vocational education programs can be given in a wide variety of educational institutions, including high schools, area vocational schools, community and junior colleges, and four-year institutions of higher education, the ability of the programs to reflect current job market trends is enhanced. Four-year colleges and universities have increased their number of occupations programs offered at less than a baccalaureate level from 619 programs enrolling 35,551 students in

1967 to 2,123 programs enrolling 105,931 students in 1975. In 1969, only 130 four-year institutions offered vocational education programs. In 1975 this number has increased to more than 400.

These statistics on enrollment and expenditure growth give ample evidence of the success of vocational education programs across the country. It is apparent that States and localities must be generally satisfied with the vocational programs offered, as support for such programs has consistently remained stable or increased.

However, testimony before the Committee indicated that problems still exist in some vocational education programs. The General Accounting Office report, "What is the Role of Federal Assistance for Vocational Education?", was highly critical that some vocational education expenditures maintained on-going programs of questionable effect, rather than serving as a catalyst for the development of new program offerings. Representatives of postsecondary education sought increased involvement in planning and operation of Federally assisted vocational programs. The extent that States retained funds at the State level to support their administrative expenses was questioned, and limits were proposed. Guidance and counseling interests suggested that increased emphasis on vocational guidance could lead to improved program effectiveness.

The Committee bill, effective in fiscal year 1978, rewrites the Vocational Education Act of 1973 to reflect the concerns expressed by these witnesses. In addressing these issues, the Committee bill also seeks to simplify the existing vocational education program, to increase States' flexibility in developing programs to meet their own needs. Provisions of the Committee bill are as follows:

TITLE I—VOCATIONAL EDUCATION

PART A—STATE VOCATIONAL EDUCATION PROGRAMS

Statement of Purpose

The statement of purpose of the rewritten Vocational Education Act is revised to reflect the new emphasis of the Committee bill. First, a major purpose of the basic State program is to improve State planning in the use of all available resources for vocational education, by involvement of a wide range of agencies and individuals concerned with education and training in the State in the development of the State's plan. Testimony before the Committee repeatedly stressed the need for comprehensive planning of vocational programs to meet the needs of the people of a State for education and training, and to avoid unnecessary overlap and duplication of programs.

The purpose of the part is also to make Federal grants to States to enable them to extend, improve, and, where necessary, maintain existing programs of vocational education. There was much testimony before the Committee concerning the proper role of Federal assistance to vocational education. Representatives of the General Accounting Office criticized some States' use of Federal funds as strictly maintaining existing vocational programs, rather than being used on the "cutting edge" for the development of new programs. State directors of vocational education defended the use of Federal funds to maintain on-going programs, since in many areas such programs are the prime reason graduates are able to find employment. The office of Education conducted a survey concerning the extent of States' use of funds for maintenance of programs, as opposed to extension or improvement of vocational curricula.

The statement of purpose, as adopted by the Committee, takes a middle-ground position on the issue. While the bill as a whole stresses the use of Federal funds as a catalyst for development of new programs States and localities would otherwise not be able to afford. it also recognizes that there may often be situations in which use of Federal assistance to support on-going programs is fully justified.

The phrase "where necessary" is intended to convey this dichotomy. The determination of necessity is to be made by appropriate State and local officials. The phrase is not intended to authorize the Commissioner of Education to apply a strict litmus test of absolute necessity before an on-going program can be funded. However, it is intended to encourage States to use their limited amount of Federal funds to invest in the often-expensive start-up costs of new programs.

The statement of purpose is also expanded to include the development and carrying out of programs of vocational education designed to overcome sex discrimination and sex stereotyping in all occupations, including homemaking. The purpose of such programs would be to furnish equal educational opportunity in vocational education to persons of both sexes. There have been a number of studies conducted in recent years concerning the extent of sex discrimination and sex stereotyping in vocational education programs. The provisions of title IX of the Education Amendments of 1972, prohibiting discrimination on the basis of sex in schools and programs receiving Federal assistance, will preclude continuation of discriminatory treatment of male and female vocational students. The expansion of the purpose of the Vocational Education Act will make it clear that Federal funds may be used to assist local school districts in developing programs designed to meet the requirements of title IX, as well as programs to overcome occupational sex stereotyping.

The remainder of the statement of purpose remains unchanged from existing law. It lists the wide range of individuals who may be beneficiaries from Federally-assisted vocational education programs—high school graduates and dropouts, adults who need training or retraining, those with special educational handicaps, and those enrolled in postsecondary institutions. This "laundry list" of eligible students is included in the Committee bill to underscore the fact that vocational education may be of significant benefit to persons of substantially varying needs, and is not limited to certain institutions or levels of education. However, given the limited amount of Federal assistance available, it is the Committee's intent that scarce dollars will be first devoted to those with greatest needs. Certainly, the phrase "of all ages in all communities" is not intended to imply any per capita distribution of Federal funds throughout a State.

Authorization of Appropriations; Uses of Funds

Section 102 of the Committee bill authorizes $650 million for fiscal year 1978, $750 million for fiscal year 1979, $850 million for fiscal year 1980, $950 million for fiscal year 1981, and $1 billion for fiscal year 1982, for grants to States to carry out vocational education programs. It authorizes an additional $70 million for fiscal year 1978, $80 million for fiscal year 1979, $90 million for fiscal year 1980, and $100 million for each of the fiscal years 1981 and 1982, to carry out special programs (reimbursed at the rate of 100 per cent) for students in public and nonpublic schools who have academic, socio-economic or other handicaps that prevent them from succeeding in regular vocational programs.

In order to support national priority programs for persons with limited English-speaking ability, the Committee bill authorizes $40 million for each fiscal year between 1978 and 1982.

The section contains a separate authorization of appropriations to pay the Federal share of the cost of State administration of annual program plans. Existing law does not limit the amount of vocational education programs funds which can be retained at the State level to defray administrative expenses. The Committee bill does not impose a rigid limitation on the percentage of Federal funds a State may devote to State administration. However, it does require a specific appropriation for that purpose, rather than diverting money otherwise intended by the Congress to be used for actual educational expenses, and requires States to match the amounts retained at the State level for administration, on a sliding scale as the new requirement phases in.

Grants to States may be used for any program of vocational education (as redefined by the Act) described in the general application submitted by the State board for vocational education. Such uses may specifically include construction of area vocational education facilities. Although the Administration proposed elimination of construction as a reimbursable expense, their testimony before the Committee indicated that approximately half of the States stil believe that area vocational school construction is necessary to bring vocational education to all areas of the State.

Finally, section 102 authorizes an annual appropriation of $5.1 million for the life of the bill, to enable States to establish or designate within the State board of vocational education or any appropriate State agency an office for women. This office would be charged with assisting the State board in fulfilling the purposes of the Act by:

Taking necessary action to create awareness of programs and activities in vocational education designed to reduce sex stereotyping in vocational education programs;

Gathering, analyzing, and disseminating data on the status of men and women students and employees in the State's vocational education programs;

Developing and supporting actions to carry out problems brought to the attention of the office through its data collection activities;

Reviewing the distribution of grants by the State board, to assure that the needs and interests of women are addressed in Federally-assisted projects:

Reviewing all vocational education programs in the State for sex bias;

Monitoring the implementation of laws prohibiting sex discrimination in all hiring, firing, and promotion procedures within the State related to vocational education;

Reviewing and submitting recommendations concerning overcoming of sex stereotyping and sex bias in the annual program plan;

Assisting local educational agencies and other interested parties in improving vocational education opportunities for women; and

Developing an annual report on the status of women in vocational education programs in the State.

From the sums appropriated pursuant to this special authorization, each State which has established or designated such an office shall receive $100,000 per year.

Under existing law, the authorization for the basic program of grants to States is a permanent one. The Committee bill provides for termination of the authorization for this program in fiscal year 1982, at the same time as the rest of the programs authorized by the Act. The Committee took this action for several reasons.

First, it has been the Committee's experience that Federal, State, and local program officials are more accountable for their administration of Federal funds when they must periodically respond to the Congress for their performance, as part of the necessary Congressional oversight preceding reauthorization of programs. Conversely, less Congressional attention may often be paid to a permanent program, whose successes have not been brought to the attention of the Committee as part of the reauthorization process.

In addition, the new Congressional Budget procedure, and related suggestions for its improvement, encourage authorization of Federal programs for a limited term. This gives the Congress the opportunity to reconsider its priorities in the light of its own budgetary ceilings, and to make educated choices among competing programs.

The Committee does not believe that the five-year authorization for the basic State vocational education program will weaken existing efforts at all. It is not in any way implied as a criticism of on-going vocational programs, but instead provides a clear time-table for further Congressional consideration of the contributions of vocational education and simplication of its administrative requirements.

Allotments Among States

The Committee bill does not change the basic formula by which vocational education funds are distributed among the States. The formula, with its weighted allocations based on differing population age-groups, seemed to have worked well, and the Committee saw no need to disrupt existing distributional patterns.

The one change made by the Committee in section 103 relates to the reservation of $5 million for transfer by the Commissioner to the Secretary of Labor for manpower studies. This provision has been part of the law for a number of years. In apparent violation of the face of the statute, the Office of Education has not reserved and transferred the funds. Officials of the Office were unable to justify their actions before the Committee, although they agreed that the mandated transfer had not taken place.

The Committee bill therefore rewrites this section to make it perfectly clear that it is the intent of the Congress that the law be followed. The language says that the Commissioner "shall reserve and transfer" to the Secretary of Labor an amount not to exceed $5 million. The Committee intends that the Commissioner do just that.

Funds are to be transferred between the Cabinet Departments upon mutually agreeable conditions. The Committee interprets this language to imply a contractual agreement between the Commissioner and the Secretary of Labor, spelling out the terms and conditions upon which the transfer will be made. Obviously, the Commissioner must be satisfied with the terms of the agreement, for, in the first instance, the money is appropriated to him.

The Committee bill makes one other significant change in this provision. Existing law provides that the manpower studies to be carried out by the Secretary of Labor are to be "for the use and guidance of Federal, State, and local officials," as well as for advisory councils under the Act. This language appeared to the Committee to be unclear in two respects:

Who decided what was useful manpower information, and

What Federal, State, and local officials were meant?

The Committee bill clarifies both of these questions. First, it makes it clear that the officials in question are education officials, not manpower training or business-related officials. Second, it explicitly states that the Secretary of Labor is to make the studies upon the request of such officials. This will assure that the manpower data produced is actually of use to educators, rather than being the sort of data others predict might be useful in designing vocational education programs.

State Planning Commission for Vocational Education

Much of the testimony before the Committee discussed the relative involvement of various institutions and levels of education in the planning and development of vocational education programs. Existing law reserves 15 percent of the funds appropriated for the basic State program for vocational education for those persons who have completed or left high school. The Honorable Roman C. Pucinski, speaking on behalf of the National Advisory Council on Vocational Education, recommended increasing that minimum to 25 percent. Lowell A. Burkett, of the American Vocational Association, believed that an increase to 30 percent would adequately reflect the substantial rise in postsecondary vocational enrollment. But representatives of postsecondary associations disagreed. John Tirrell of the American Association of Community and Junior Colleges and Jerome Roschwalb of the National Association of State Universities and Land Grant Colleges urged a Federally-mandated minimum of 40 percent of all funds for postsecondary education, with a possibility that an additional 20 percent of the appropriation could also be devoted to postsecondary vocational training.

Yet, threading through the testimony concerning mandatory earmarks of State and local funds from the Federal level was the twin theme that improved broad-based planning was the solution to States' problems of overlapping and duplicatory vocational education programs. Comprehensive planning was a major component of S. 941, drafted by representatives of the American Vocational Association. Lack of such planning was cited by the General Accounting Office as a major reason for program overlap between secondary and postsecondary level programs or between vocational education and manpower training programs.

The Committee believes that comprehensive planning by each State to meet its own unique needs makes much more sense than imposition of an arbitrary Federal percentage on each State. Fifteen percent of the funds for postsecondary vocational education may make a great deal of sense in one State; 40 percent—or 70, for that matter—could meet the vocational training needs of another. The Committee decided that this should be a State's own decision to make for itself.

The mechanism for such decision-making was not immediately apparent, however. In 46 States, the State board of education is charged only with elementary and secondary level education. When such State board also serves as the State board for vocational education, traditionally the sole State agency for administration of Federal vocational education programs, there is no means by which other educational interests within the State can have their voices heard in decision-making about the contents of a State's plan for vocational education. Seven States have separate State boards for vocational education, giving rise to concerns that vocational education programs will not be adequately coordinated with either secondary-level or postsecondary academic programs.

The concept of the State board of vocational education as the sole State agency mandated by Federal law for the administration of vocational education programs has been part of our Nation's tradition since 1917. The Committee decided that to reorganize existing State boards, to make them more reflective, in some States, of agencies and institutions subsequently created by the States to coordinate other types of education, was too drastic a step to take to assure comprehensive planning. Yet there was general consensus that such planning was badly needed in a number of States.

The Committee bill compromises by providing that any State desiring to receive Federal vocational education funds shall designate or establish a State planning commission for vocational education. This commission shall be responsible for the initial development and preparation of the two plans required by the Act—the comprehensive statewide long-range plan and the annual program plan for vocational education. The commission's function is strictly limited to planning. It has no administrative responsibilities.

The membership of the State planning commission is outlined in the Committee bill. It shall include the following representatives of State agencies involved in vocational training:

The State agency having responsibility for secondary vocational education programs;

The State agency having responsibility for post-secondary vocational education programs;

The State agency having responsibility for community and junior colleges;

The State agency having responsibility for institutions of higher education in the State; and

A local prime sponsor member of the State Manpower Services Council appointed pursuant to the Comprehensive Employment and Training Act of 1973.

Two things are important about these members of the State planning commission: First, each of the agencies enumerated is to be represented on the commission only if it already exists in the State, pursuant to State law or regulation, as a separate agency. This means that if there is a separate State agency for four-year institutions of higher education and another one for community colleges, both are to have representation on the planning commission. If a single agency has authority over postsecondary education, a single representative is mandated.

Similarly, if the State board for vocational education has cradle-to-grave responsibility, as it does in Rhode Island or New York, additional members of the State planning commission are not required for the sub-areas of interest. On the other hand, if a separate State board for vocational education has responsibility for postsecondary vocational education, as it does in Wisconsin, then that board should be represented on the planning commission, along with secondary-level vocational representation and higher education representation.

It is not the intention of the Committee to require any State to create any new agency to deal with a single level of education. It is similarly not the intention of the Committee to provide for multiple representation of a single State agency, in order to "stack" the membership of the commission. What the Committee seeks is honest representation of whatever agencies a State itself has decided to create as part of its own governance structure of education.

Second, these agency representatives are to be designated by the agencies themselves. This will take care of any uncertainty as to the relevant State law for appointment of members of State commissions. It will also assure that each concerned agency is able to appoint its strongest advocate to participate in the planning process.

There has been much discussion concerning the advisability of a State planning commission made up of lay members of various State boards of education and regents, as opposed to a commission composed of professional educators who head or work for such boards. The language of the Committee bill is intended to give States the greatest possible leeway in deciding on the make-up of the planning commission, since each agency would be able to designate its own representative.

In addition, the State planning commission would be required to have the following additional members:

A representative of a local school board or committee;

A representative of vocational education teachers;

A representative of local school administrators; and

One representative each of business, industry, labor, agriculture, and the general public.

Each of these representatives will be appointed pursuant to the applicable State law. Of course, the list contained in the Committee bill are merely a minimum mandatory membership of the State planning commission. Other members may also be appointed, in the discretion of the State, to assure that the widest possible participation in the planning process is achieved.

If the membership of the State board for vocational education already meets the membership requirements of the State planning commission, that board shall be entitled to serve as the planning commission. No additional planning body will be required to be created by the Committee bill. However, in order to assure that vocational education does not become completely divorced from other educational curricula, the Committee bill requires that in that case such State board shall develop procedures to assure coordination between such programs.

According to *Project Baseline*, in 19 States a single individual is responsible for writing the State plan. In only two States did the State Advisory Council for Vocational Education take part in actually developing the State plan. In one of these, the Advisory Council and the State board had separate State plan writing committees. In the other, the Advisory Council participated as part of a committee, headed by the State director of vocational education. Obviously, much wider participation in development of a State's plan for expenditure of its Federal funds is desperately needed. The planning commission provides the mechanism.

In many States, the various State agencies involved in vocational education are already substantially involved in vocational education planning. In such instances, the creation of additional agency at the State level would only lead to one more unnecessary agency. For that reason, the Committee bill provides that, if each State agency involved in the State planning commission certificates to the Commissioner of Education that it has had an opportunity to be a direct and active participant in the development, preparation, implementation, and evaluation of the comprehensive statewide long-range plan and the annual program plan, the Commissioner shall waive the requirement for the planning commission, on a finding that the Act's purposes are substantially fulfilled. This provision should allow a number of States already engaging in broadly-based planning for vocational programs to make such certification to the Commissioner. Upon the Commissioner's approval of the certification, the State board for vocational education is authorized to carry out the functions of the Act otherwise vested in the planning commission.

Under the Committee bill, the planning commission is authorized to hire professional, clerical, and technical personnel to carry out its functions, if it deems it necessary to obtain independent staff. In order to support this activity, the bill authorizes the commission to use 1¼ percent of its basic Federal funds, but not less than $150,000 nor more than $500,000 for each fiscal year, to pay the cost of its planning activities.

State Advisory Councils on Vocational Education

The Committee bill continues the requirement in existing law that, to participate in the Federal vocational education program, a State must have a State advisory council. The bill clarifies the membership mandated for this council, to assure the broadest possible public representation. In addition, some additional members are added. These include a person representative of the vocational needs and problems of agriculture, a representative of vocational guidance and counseling services, a representative of State correctional institutions, and a representative of vocational education students.

The agricultural representative was added to the State advisory council to add a balance to its other public membership, which includes management and labor. The guidance and counseling representative reflects the increased emphasis on vocational guidance and counseling which runs throughout the Committee bill. The correctional representative was added to the advisory council after testimony before the

Committee that existing vocational education efforts in penal institutions are wholly inadequate. Our nation's rate of recidivism is appalling, yet if a prisoner is not given a marketable skill during his imprisonment, it seems likely that he will more probably again resort to crime. It hardly makes sense that inmates are only taught to make license plates, when the only place that skill can be exercised is in prison! Hopefully, addition of a correctional institution representative to the State advisory council will result in increased attention to the problem of vocational education in penal institutions. Finally, a student member of the advisory council adds the consumer of vocational education's voice to the advice given the planning commission and State board.

The Committee bill provides that members of the State advisory council may not represent more than one of the mandated categories. This will prevent members from wearing more than one hat, and will make it easier to determine that all required interests are represented. The bill also requires that in making the appointments, the Governor or State board of education shall insure that there is appropriate representation of both sexes, racial and ethnic minorities, and the various geographic regions of the State. This will assure the widest possible representation of varying views concerning the proper direction a State's vocational education program should take.

The State advisory council's role is to advise the State planning commission in the development of the comprehensive statewide long-range plan and the annual program plan for vocational education and to advise the State board on policy matters arising out of the administration of programs. While this role is strictly advisory—the council is not given a veto power over the planning commission or the State board—the Committee intends that the advice be given serious consideration. This has not always been true in the past.

The General Accounting Office found, in the States it visited that "State councils were aware of, and had reported on, many significant problems in vocational education. However, most were not satisfied with the degree of attention State agencies were giving to solution of these problems." Some advisory council reports contain a litany of complaints that previous years' suggestions had been totally ignored. The Committee urges State planning commissions and State boards to pay serious attention to the advice of the councils, and to indicate, as part of the planning or administrative process, how such advice was taken or why it was rejected.

The State advisory council is also responsible for evaluating vocational education programs and publishing and distributing the results. Again, results have been uneven. The General Accounting Office report quotes the Office of Education's Deputy Commissioner for Occupational and Adult Education as having characterized State advisory council evaluations as "imprecise, unscientific, invalid, and lacking a necessary amount of rigor." These are harsh words indeed.

In some instances, the criticism may be unduly harsh, for the inadequacy of a State council's evaluation may not be totally the fault of the council. Some State councils are strongly independent of the State board for vocational education, controlling their own staffing, travel, and activities. Unfortunately, in other States councils may not have this autonomy. Council representatives have indicated that in some States the State director of vocational education refuses to allow the advisory council to perform evaluations at less than a State-wide level. This precludes any meaningful evaluation of a specific vocational program of a local educational agency or training institution. Aggregating data at the State level can only fuzz analysis of program strengths and weaknesses, defeating the purpose of evaluation.

The Committee urges that State advisory councils be given access to the data necessary for them to undertake evaluations which will be useful to decision-makers. These councils are intended to be an independent voice in vocational education, not a mere extension of the program's administrators.

It has been suggested that the State advisory council could serve the function of the State planning commission, rather than creating a new body to engage in planning. The Committee bill does not do this, for a number of reasons.

First, the membership of the two bodies is substantially different. The State planning commission is composed of public officials and public members. The secondary-level vocational education representative is a State official—either a member of the State board of education or vocational education (as the case may be) or some other official, such as the Chief State School Officer. He is not a representative of a specific secondary-level vocational education program conducted by a local educational agency or area vocational education school. Similarly, a postsecondary vocational education representative might be a member of the State's Board of Regents or its Chancellor for Higher Education. Again, this representative does not represent the views of only a single postsecondary institution.

The State advisory council, on the other hand, represents the consumers of vocational education—students; school systems; special groups such as the disadvantaged, handicapped, and persons of limited English-speaking ability; individual colleges, technical schools, and area schools.

The rationale of the Committee bill is that State officials, not representatives of individual institutions and interests, should be responsible for the basic planning upon which allocation of nearly half a billion dollars in Federal funds takes place. The interests of the president of institution "A" may in no way reflect the needs of institution "B;" a State official would have a broader view of the needs of institutions across the State.

As discussed above, the performance of State advisory councils in the tasks mandated by existing law has been extremely spotty. As the General Accounting Office has noted, the councils "have participated, in varying degrees, in evaluating vocational education programs, but have not served in any primary capacity in planning for the comprehensive provision of vocational education services." *Project Baseline's* study of Vocational Education Planning in the United States bears out the finding that State advisory councils have had virtually no experience in planning for vocational education:

The State Advisory Council for Vocational Education had part of the responsibility for actually writing the State Plan in only two States. In one of these, the Advisory Council and the State Department had separate State Plan Writing Committees. In the other, the Advisory Council participated in the writing along with administrative assistants and a State committee of thirty members, coordinated by the State Director.

Comprehensive Statewide Long-Range Planning

Existing law requires the submission of an annual State plan containing a wide range of information, including long-range planning, an annual plan, the policies and procedures the State intends to follow in distributing funds to local educational agencies, teacher certification requirements, and "boilerplate" provisions concerning fiscal management. It was repeatedly stressed to the Committee that the document submitted by the States was not a planning document, but rather was a "compliance" document. By this, witnesses meant that the materials submitted were the paperwork necessary to comply with the face of the statute, but did not reflect the planning effort undertaken by the State to determine its vocational education program for the year, or the basis of such a determination.

As a result, the plans submitted pursuant to the 1968 Act have been useful to no one, in most cases. Since they are "compliance documents" rather than actual planning documents, they are of little help to the State or local vocational educator in making program decisions. Since they provide little evidence of the bases of a State's decisions concerning fund distribution, they give the Commissioner of Education little ground to disapprove—or approve—them.

As a result, a mound of paper is required to be prepared at the State level and transmitted, through the Office of Education regional offices, to Washington. The Committee bill seeks to cut down substantially on this unnecessary paper flow.

The Committee bill divides existing planning requirements into three different types. General assurances—the "boilerplate" administrative provisions—are made once and kept on file with the Commissioner. A long-range plan is made only once. Only the most streamlined planning document is required to be submitted annually for approval.

The comprehensive statewide long-range plan is developed by the State planning commission, covering a 4–6 year period. This plan is transmitted to the State board which, if it approves the plan, sends it to the Commissioner of Education. He does not have authority to disapprove this plan. The Committee believed that a State's long-range vocational education goals should be developed by the State itself, and should not be subject to second-guessing from a Federal official.

The plan developed by the State sets forth the overall manpower and vocational education goals which the State intends to achieve during the 4–6 year period, including specific descriptions of the planned use of Federal, State, and local vocational education funds for each year, in order that the stated goals may be achieved. In using the term "specific," the Committee intends that a rule of reason be applied. Obviously, a State cannot be required to project the expenditure of every vocational education dollar over a six-year period. On the other hand, vague descriptions of the "policies and procedures" the State intends to employ in making decisions at some unstated future date would not be sufficiently specific to constitute a real plan.

What is sought by Committee is a comprehensive planning document which reflects a State's assessment of its needs for vocational education, taking into account populations to be served, job markets to be met, regional distribution, and special needs. In addition, it should describe the steps the State plans to take to meet these needs, over a multi-year period.

Specifically, the Committee bill calls for an assessment of needs for trained manpower, together with actual and projected vocational education enrollment and enrollment in other training programs. In addition, a State should assess its existing capabilities and facilities for providing vocational education, including an assessment of the special needs of handicapped persons, the disadvantaged, and persons of limited English-speaking ability, together with the need for vocational education and the resources necessary to meet that need.

The plan should give careful consideration to the most effective means of utilizing all existing institutions capable of carrying out vocational programs. By "all existing institutions," the Committee means institutions, such as public and private community and junior colleges, four-year colleges and their branches, proprietary schools, manpower skill centers, and technical institutes, which may not have tradionally been deeply involved in vocational education, as well as the more traditional secondary school or area vocational school. In addition, by listing such institutions, the Committee does not mean to exclude nontraditional educational settings, such as employer-based sites or "classrooms without walls." The Committee would encourage States, in assessing available facilities, to examine as wide as possible a range of facilities which might be useful in providing high quality vocational education.

The comprehensive planning process also would include the development of general procedures for delegation of the responsibilities for implementation of vocational education programs within the State from the State board to other State agencies. As discussed earlier, the planning commission would have no administrative responsibilities. However, the Committee bill allows delegation of administrative responsibilities from the State board to other agencies, if the State so chooses.

The delegation could take various forms—memorandum of agreement, contract between two agencies, or mere delegation of certain administrative functions. The comprehensive plan will spell out the procedures the State intends to employ for such delegation if it takes place.

The Committee believes that such delegation may, in certain instances, improve the quality of vocational education programs. A number of State boards of vocational education have entered into agreements with their companion higher education boards whereby the latter administer the postsecondary vocational education funds. Under the letter of existing law, such agreements could be the subject of an audit exception. The Committee bill would allow these agreements to be undertaken.

The list of State agencies to which delegation is possible is necessary because of the widely varying way the States have chosen to organize their education systems. In forty-six States, the State board of education is responsible only for elementary and secondary level education. Most of these States have separate boards of regents for higher education, and in some cases separate boards for community colleges. In seven States, the State board for vocational education is separate from the State board of education. This leads to other administrative arrangements. In Wisconsin, for example, the State board vocational education administers postsecondary vocational education programs and contracts with the State superintendent of education for the conduct of secondary-level programs, pursuant to policies set by the State board for vocational education. The Committee bill is designed to allow each State to make its own delegation decisions, based on its own structure and its own determinations concerning what is best for vocational education within that State.

One of the major failings in the field of vocational education which has hampered the Committee's investigation of the field is the inadequacy of data available. Definitions are not standard from State-to-State, so no accurate comparisons can be made. The Office of Education tends to collect only those data it needs to perform its basic functions under the Act. Even so, for a number of years, data on race and sex of vocational enrollees have not been collected. And labor market data is not available on a small enough base to be useful to vocational educators in their planning.

For these reasons, one key element of the comprehensive plan would be the development of procedures for continuous planning and evaluation, including the regular collection of data, to be available to all parties in the State to whom it would be of interest. A solid data base will give a State a basis for program evaluation. Evaluation will, hopefully, lead to improvement in program quality. Both data and evaluation can result in improved planning capability.

Finally, part of the comprehensive Statewide long-range plan must be the development of criteria for coordinating manpower training programs conducted under the Comprehensive Employment and Training Act of 1963 with vocational education programs. Often the training offered, and the potential students, differ between these two programs, but in a number of instances there is a strong potential for overlap. Unless these is a mechanism established for coordination between vocational educators and manpower prime sponsors, unnecessary duplication of programs can take place. With regular communication between various agencies concerned with education and training, vocational educators can increase their impact on manpower training programs through sharing their expertise.

As Mary L. Ellis, President of the American Vocational Association, testified before the Committee: ". . . comprehensive planning is the key to the future of vocational education. Duplication of effort, splintering of interest and uncoordinated use of resources are detrimental to the interest of the Nation."

General Application

Under existing law, a State must annually submit a State plan to the Commissioner of Education for his approval. This plan must, by statute, contain certain assurances concerning the State's proposed basis for distribution of vocational education funds and its procedures for approving local educational agency applications. In addition, the

State plan must set forth in detail the minimum qualifications for teachers, supervisors, teacher-trainers, and other vocational education personnel in the State. Finally, the plan must contain certain "boilerplate" provisions concerning fiscal control of Federal funds and assurances that Federal funds will supplement rather than supplant State and local vocational education funds.

The net result of all these requirements is that a tremendous amount of unnecessary paper flows into Washington annually—paper which takes hundreds of man-hours to prepare and which is of little practical use to program administrators at the State or Federal level. Indeed, the Committee has serious doubts that any employee of the Bureau of Occupational and Adult Education even reads this material, other than to assure that all the blanks are filled in.

Section 434 of the General Education Provisions Act, added by the Education Amendments of 1974, sought to reduce the flow of unnecessary paperwork by providing for a single application from a State educational agency to the Commissioner, to remain on file. This general application covered certain common elements of applications for Federal educational aid—proper and efficient administration; fiscal control and fund accounting procedures; reporting; and provision that Federal funds will not supplant non-Federal funds for education.

This provision represented a first step in reducing Federal paperwork. However, in the vocational education field it was not always successful. Section 434 only applies to programs administered by the State educational agency. In seven States the State board for vocational education is separate from the State educational agency. In those States, these assurances had to continue to be made annually.

The Committee bill builds upon this first step to decrease substantially the amount of paper which must be submitted annually. The bill provides for a single general application, to be made by the State board for vocational education, to be submitted to the Commissioner, to be modified as necessary. This general application will cover a wide range of assurances:

That the State will provide for necessary methods of administration to assure proper and efficient administration of the Act, including any delegating of responsibilities pursuant to the methods outlined in the comprehensive Statewide long-range plan;

That the State will establish or designate an office for women;

That the State will provide for fiscal control and fund accounting procedures to assure proper disbursement of Federal funds;

That Federal funds will supplement, and, where practical, increase the amount of State and local funds available for vocational education, and in no case supplant such funds;

That the State will make such reports as the Commissioner deems necessary.

In addition to these "housekeeping" assurances, the general application will also contain substantive information concerning the methods the State board intends to use in implementing the law. The first such assurance deals with distribution of funds to eligible applicants, on the basis of annual applications. Existing law is written in terms of "applications from local educational agencies," yet information available to the Committee indicated that States vary widely in their fund distribution patterns. Some States do solicit applications from school districts before awarding Federal vocational education funds, but others distribute funds on the basis of a State-developed formula, in apparent violation of the law.

Under the Committee bill, it would be made clear that applications are expected, not only from local educational agencies but from all eligible recipients. These applications would be required to:

Be developed in consultation with representatives of educational and training resources available in the area;

Describe the vocational needs of the students of the community to be served, and how the program for which funds are sought would meet those needs;

Describe the relationship of the program with manpower programs conducted by a prime sponsor in the same area under the Comprehensive Employment and Training Act; and

Describe the relationship between the Federally funded vocational education program proposed and other programs in the area which are supported by State and local funds.

The Committee hopes that the specific provisions for eligible recipient applications will provide the State board with the necessary information to make hard choices among competing applications for scarce Federal funds. Of course, successful on-going programs should continue to receive assistance. However, with the development of new vocational programs competing for limited dollars, State boards may have to decide to fund new and innovative programs, allowing State and local funds to pick up the costs of some operational programs. The information required to be submitted by applicants pursuant to this provision of the Committee bill will provide a substantial base for making such a decision.

The general application, under the Committee bill, will provide assurances that priority in approval of applications will be given to applicants which propose programs for persons with special needs, such as the disadvantaged, handicapped, and those of limited English-speaking ability, applicants located in economically depressed areas which do not have sufficient resources available to meet such areas' vocational education needs, and those which propose programs new to the area to be served, designed to meet new and emerging manpower needs and job opportunities. These priorities are intended by the Committee bill to underscore the Federal priorities for expenditure of Federal vocational education funds. These priorities take three forms—special populations, poor areas which cannot otherwise afford necessary vocational education programs, and new and emerging training opportunities. While vocational education should never be thought of as limited to the poor or the disadvantaged, but rather should be for all people of all ages in all communities, certain priorities for the use of limited Federal resources should be set. Congress has declared, in a number of statutes, that equalization of educational opportunity is a major priority of Federal assistance. The Committee bill reiterates this priority as the States approve applications for vocational education funds. Other applications may, of course, also be approved, but the State board should be able to document the reasons for approval of such applications over those of needier applicants.

Existing law prohibits the allocation of funds among eligible applicants is a manner which fails to take into account the statutory criteria for allocation, such as the matching of local expenditures at a uniform percentage ratio. The purpose of such a provision was to require State boards to take into account the relative needs of applicants for Federal funds, and their relative ability to match such funds, in relation to other applicants within the State. Despite this provision, a number of States allocate funds among school districts on the basis of a flat formula, without taking relative need or ability to pay into account.

The Committee bill, therefore, seeks to spell out this requirement in even more explicit terms. One of the assurances required as part of the general application is that funds will not be distributed on the basis of per capita enrollment or through the matching of local expenditures on a percentage basis. The Committee expects the Office of Education to be diligent in enforcing this provision, as otherwise the priorities expressed by the bill will be negated.

The Committee bill also provides that no recipient will be denied Federal funding for the establishment of new vocational education programs solely because of its inability to pay the non-Federal share to the cost of mounting such programs.

The overall matching requirement of the Committee bill remains 50–50 Federal/State and local funds, as in existing law. However, across the country, the average matching ratio is 5 State and local dollars to each Federal dollar. A State's matching ratio is therefore not called into question in the establishment of a new and innovative program with 100 percent Federal funding. And a poor district, which cannot afford to raise additional funds to match a proposed Federal expenditure, cannot be required to do so, under the Committee bill, as a precondition of approval of its application. This provision is intended to put poor districts and institutions on the same footing as the more affluent ones, in making their applications for new Federal funds.

The general application, under the Committee bill, must provide assurance that any eligible recipient dissatisfied with final action of the State board with respect to its application for funds shall be given reasonable notice and opportunity for a hearing. This provision is contained in existing law. It must be included only once, under the Committee bill, rather than being part of a yearly plan.

Finally, the general application must provide assurances that, with some exceptions, funds will not be used for any program of vocational education which does not prepare students for employment, prepare individuals for successful completion of such a program, or be of significant assistance to enrollees in making an informed and meaningful occupational choice as an integral part of a program of orientation and preparation. This means that all funds must be used to provide actual vocational education, as redefined by the Committee bill. The language of the Committee bill is, however, broad enough to allow funding of industrial arts programs, as provided by existing law, as well as vocational guidance and counseling programs.

The specific exemptions from this employment-related requirement relate to those portions of the Committee bill ancillary to direct vocational training—personnel training, renovation, and homemaking. While the end result of such programs is improved vocational education or other occupational skills, they do not directly prepare vocational students for employment, as assist in such preparation. All other expenditures of funds under the Committee bill should be directed toward these ends.

The Committee bill forbids the Commissioner from disapproving a general application which meets these assurances. If the Commissioner intends to disapprove such a general application he must first give the State board reasonable notice of such intent, and the opportunity for a hearing.

The Committee wishes to underline that the general application is filed by the State board for vocational education, and is solely its responsibility. This is consistent with a theme which runs throughout the Committee bill—that the only State agency which deals directly with the Commissioner of Education is the State board for a vocational education. Even in instances when the State planning commission is initially responsible for developing a comprehensive or annual plan, the transmission of such plan to the Federal government, and the final approval of such plan before it is sent to the Commissioner, is in the hands of the State board. It is this board, and this board alone, which is accountable to the Commissioner for a State's expenditure of Federal vocational education funds.

Annual Program Plan

The third part of a State's application, and the only one which is submitted to the Commissioner each year for his approval, is the annual program plan. This plan is developed by the State planning commission which submits it to the State board for its approval. The State board then submits the plan to the Commissioner, who shall approve it if he makes certain findings:

That it was prepared in consultation with the State advisory council. The Committee bill provides that the advisory council must be "actively involved in the development" of the plan. The Committee intends this to mean that advisory councils must be more intimately involved in plan development than is currently the case. Advisory council development than is currently the case. Advisory council members have indicated that too often the councils are presented with a printed, voluminous State plan which is imminently due for submission to the Commissioner, and are expected to rubber-stamp the State board's decisions. The Committee does not consider this sufficient involvement of the State advisory council, which is intended to serve a real advisory function. The language of the Committee bill is intended to underscore the concept that the involvement must be real, and to serve notice that the Commissioner is expected to monitor State activity to be sure that it is.

Some witnesses before the Committee urged that the State advisory councils be given a veto power over the State plan. The Committee did not take such a drastic step at this time, believing that the ultimate decisions concerning State expenditures of funds should be made by State officials. However, in mandating the creation of State advisory councils, the Committee did not intend to create another layer of bureaucracy which has negligible impact on program decisions. State officials should weigh carefully the advice of their State councils, and involve them in the actual development of the annual program plan.

That it reflects coordination with State manpower activities, through consultation with the State Manpower Services Council. This requirement is consistent with one of the major themes of the Committee bill—that there needs to be increased coordination between vocational education and manpower training. The Commissioner of Education recently has, by regulation, required such involvement of the Manpower Services Council, although the legal basis for his authority for imposing such a requirement is questionable at best. The Committee bill would provide the necessary authority for requiring such coordination.

That it reflects participation of local advisory councils representing business, labor, and community interests. A member of witnesses before the Committee, including James Reid, State director of vocational education for the State of Maryland and President of the National Association of State Directors of Vocational Education, stressed the positive contributions of local advisory councils in developing local programs of vocational education and in providing a strong local base of support for such programs.

The Committee bill is silent concerning the appointment or composition of such local advisory councils. However, it strongly believes that such councils can be of significant impact in determining the success of vocational programs, and therefore has made the creation of such councils an integral part of each eligible recipient's activity, the sum of which participation is reflected in the overall annual State program plan.

That it sets forth in reasonable detail the proposed distribution of Federal funds among eligible applicants, while analyzing that distribution in relation to the comprehensive plan and the priorities set forth in the general application. The comprehensive long-range plan is the blueprint for a State's effort in vocational education. The annual plan is the measure of a State's progress in meeting the expressed needs and goals of the long-range plan.

Existing law speaks in terms of "policies and procedures" for allocating Federal funds, but most State plans do not provide sufficient detail on actual planned allocations to allow the Commissioner to assess the State's actual performance in meeting its own needs. The Committee bill, therefore, is addressed to the State's proposed distribution of Federal funds for the fiscal year for which application is made. Given this information, the Commissioner will be able to make a reasoned decision concerning whether the State's annual program plan actually furthers the goals set forth in the long-range plan.

That it reports on the distribution of Federal funds for the preceding fiscal year, together with an analysis of how such distribution conformed to the distributional pattern proposed in the prior year's plan. Again, the Committee bill seeks to hold States accountable to the goals they have set for themselves, and to require them to measure their annual progress toward those goals in terms of their actual performance.

That the comprehensive Statewide long-range plan is up-dated to reflect the State's past performance and plans for the upcoming fiscal year, so that the plan continues to project a State's goals and objectives for a four- to six-year period into the future. This requirement will keep the long-range plan operational without obligating the State to go through another extensive long-range planning process. It will also serve as a yard-stick to the State to measure its own successes.

That the State plan has been subject to reasonable notice and opportunity for a public hearing, in order to assure that the general public has an opportunity to make its views known concerning the State's proposed annual program plan. While States are required to have such public input under existing law, the Committee has yet to hear of a single change made in a State plan as a result of a public hearing. The Committee wishes to stress that such public hearing requirement is to be taken seriously by the States, in order to assure the broadest possible involvement in the development of the annual program plan.

In addition, the State must have implemented policies and procedures to assure that copies of both the comprehensive and the annual plans, plus all statements of general policies, rules, regulations, and procedures issued by the State board, together with those of any agency to which responsibility is delegated, will be made reasonably available to the public. Such widespread dissemination of State board policy can do much to take the "mystery" out of vocational education decision-making, as far as the general public is concerned. Increased public awareness can only strengthen vocational education in the States.

That the plan sets forth the conduct of a thorough study of the policies, procedures, materials, and administrative procedures that the State will follow in vocational education programs, in order to permit equal access to such programs by both men and women. This submission must include a detailed description of the policies which will be followed, actions which will be taken to overcome sexism, and incentives to be provided to local educational agencies to develop model programs for the reduction of sex streotyping in all occupations. It most also provide for making the results of the study available to the public. The Committee expects that in order to insure effective administration of the act, and in particular to carry out the purpose of these 1976 amendments, the Office of Education will require, along with the program reports specified in the legislation, a statistical report of school enrollments by sex, race and national origin, for each secondary and post secondary vocational educational education program offered by a school district or other official agency.

In approving the State's annual program plan, the Commissioner is required to make specific findings, in writing, concerning the compliance of the plan with the provisions of the Act. He must also find that adequate procedures are set forth to insure that the assurances contained in the general application and the provisions of the annual program plan are being carried out, and that the annual program plan shows progress toward achieving the goals set forth in the comprehensive Statewide long-range plan. In undertaking to approve the plan, the Commissioner shall submit that portion of the State's annual program plan which relates to vocational education for persons of limited English-speaking ability to the Director of Bilingual Education for review. He must also have received assurances that the State's office for women has reviewed the plan and that the State board has given due consideration to the needs of female students, and that no sex stereotyping exists in vocational education programs described in the plan.

Existing law requires the Commissioner to make "specific findings" that a State plan complies with the law before he approves it. To the knowledge of the Committee, such findings have never been made, other than the signature of the Commissioner on the plan itself. Indeed, as expressed earlier, there are substantial indications that no one in the Office of Education even bothers to read through an entire State plan to ascertain whether it substantively meets the intent of the law.

By requiring the specific findings to be put into writing, the Committee intends to make sure that some Federal official actually reads each State's annual program plan and makes some substantive judgment that it meets the requirements of the Act.

The Committee wishes to emphasize that the Commissioner has no authority to second-guess a State's own determined goals under its comprehensive long-range plan. However, he does have the responsibility of determining whether the annual plan actually represents a step toward those goals. The Committee urges the Office of Education to take a leadership role in monitoring State's performance in meeting their own goals, and in making certain that their annual plans represent reasonable steps toward those goals, by providing a written assessment of the annual State program plan, as part of his approval thereof.

Under the Committee bill, the Commissioner may not disapprove any State's annual program plan without first offering the State board for vocational education reasonable notice and opportunity for a hearing on his decision. In addition, the Committee bill makes it clear that the Commissioner may not disapprove a State's annual program plan solely on the basis of its proposed distribution of State and local funds for vocational education. The bill requires States to submit plans involving State and local funds, as well as Federal funds, so that the Commissioner may have an adequate basis for deciding whether the State's plan represents the best possible expenditure of Federal funds, according to the purpose of the Act. Since States vastly over-match Federal funds, submission of information relating only to Federal monies would not give the Commissioner an accurate picture of the State's total vocational education effort. However, the Commissioner's authority to disapprove a State's annual program plan is limited to its proposed allocation of Federal funds. The Commissioner may not second-guess State and local decisions concerning vocational education expenditures, but, on the other hand, he must approve the expenditure of Federal funds in the total context of all available funds for vocational education.

Submission of Plans; Withholding and Judicial Review

The Committee bill provides that no comprehensive Statewide long-range plan or annual program plan may be submitted to the Commissioner until it has been approved by the State board for vocational education. If the State board disagrees with the effort to the State planning commission, it shall return the plan to the commission, together with its suggestion for changes.

The Committee considered the concept of appeal to the Commissioner of Education in the case of any disagreement between the State board and the planning commission. However, the Committee decided that such conflicts should be resolved at the State level, rather than having a Federal official injected into a controversy between two State-level bodies. The Committee expects that such conflicts will be few, if any. The interests of each State in having an approved State plan, so that Federal funds can be made available to the State is quickly as possible, should lead to speedy resolution of any minor disagreements between the State board and the planning commission.

The Committee bill provides for the withholding by the Commissioner of vocational education funds in the case that the State plan, or its administration, fails to comply with the law. This is identical to existing law.

Similarly, the provisions of the Committee bill concerning appeals by the State board dissatisfied with the Commissioner's actions mirrors existing provisions. The provisions of the Committee's bill concerning appeals by those dissatisfied with the State board's actions is broadened to reflect the possible delegation of some of the State board's functions to other State agencies and the eligibility of postsecondary educational institutions, as well as local educational agencies, for Federal funds.

National Priority Programs

Rather than including special populations in a list of possible uses of Federal vocational education funds, as under current law, the Committee bill established a series of national priority programs, with specified minimum amounts of each State's basic grant for vocational education reserved for each such program. Several of these national priority programs continue existing minimums:

At least 10 percent of the funds to pay 60 percent of the cost of vocational education for handicapped persons who, because of their handicapping conditions, cannot succeed in the regular vocational education program or who require a modified vocational education program.

The General Accounting Office informed the Committee that some administrators were interpreting this provision literally and were placing handicapped students in unmodified vocational education programs and requiring them to fail before making any modifications or adapting the program to meet the student's needs. Other reports to the Committee indicate that a literal interpretation of this requirement resulted in automatic segregation of handicapped persons in separate programs apart from their non-handicapped colleagues. Indeed, a study completed by the Olympus Research Corporation for HEW's Office of Planning, Budgeting and Evaluation, found that 70 percent of all handicapped students enrolled in vocational education were enrolled in segregated classes, away from their non-handicapped colleagues. Not only were such practices not intended in the 1968 Vocational Education Amendments, but the legislative history of Public Law 90-576 is quite clear and forceful on these two points: (1) that a broad range of vocational opportunities shall be available for handicapped students, and (2) that vocational education facilities and programs be modified to enable handicapped persons to receive vocational education along with their non-handicapped colleagues.

The Committee points out in this regard that Public Law 94–142, the Education for All Handicapped Children Act, requires all handicapped children within a State to receive a free appropriate public education, and requires that procedures be established to assure that such children are educated with children who are not handicapped, and that removal from the regular educational environment occur only when the nature or severity of the handicap is such that education in regular classes cannot be achieved satisfactorily. It further provides that individualized education programs be established for each student and that other procedural protections shall be available to protect the student's right to education. These provisions and other protections contained in Public Law 94–142 apply to handicapped students enrolled under the national priority program for handicapped students under the Vocational Education Act and all vocational education funds under this Act are intended to be used consistent with the State's plan under Public Law 94–142 to provide a free appropriate public education to all handicapped children. The Committee intends the comprehensive long-range plan and the annual plan under these amendments to describe in detail how vocational education programs will be provided within the State consistent with Public Law 94–142, and expects both the State Board of vocational education and the U.S. Commissioner to assure that this is accomplished. The Committee urges State and local vocational educators to begin immediately to use these vocational education funds to modify existing vocational programs to meet the needs of handicapped students in accordance with the State plan submitted under Public Law 94–142.

At least 15 percent shall be used to pay 60 percent of the cost of programs for persons (other than the handicapped, with academic, socioeconomic, or other handicaps which prevent them from succeeding in regular programs. This again is the minimum expenditure specified in existing law. Again, the Committee does not intend that these individuals be segregated from regular vocational education programs, but rather that such programs be modified to meet their special needs.

At least 15 percent shall be used to pay 60 percent of the cost of vocational education for persons who have completed or left high school and who are available for study in preparation for entering the labor market. This is commonly called the "postsecondary minimum," although funds are not actually reserved for "postsecondary education" as the term is commonly used in education legislation. Rather, funds matched under this subsection may be used either for vocational education beyond the high school level or for education of adults and other school-leavers, regardless of the level of vocational education.

Witnesses before the Committee urged that this minimum, which is contained in existing law, be rewritten to limit its applicability to true higher education—education beyond the high school level in a community or junior college, technical institute, or other institution of higher education. However, States do not report their expenditures under this minimum to the Office of Education with any sort of differentiation between what could be termed "postsecondary education" and what could be termed "adult education." Indeed, a Library of Congress study conducted for the Committee indicated a widespread confusion in the States concerning what expenditures were properly reportable under this reservation. The Committee, therefore, did not alter the definition contained in existing law, as it had no information available to it concerning the effects of such a change.

Each of these minimums is required to be matched at the ratio of two State and local dollars for every three Federal dollars expended. Current law requires an overall matching ratio of one State and local dollar for each Federal dollar expended, but does not require special categorical matching of areas designated by the Congress as national priority areas. As a result, Office of Education officials told the General Accounting Office that, because States continue to overmatch overall Federal vocational funds, they have no legal basis for requiring States to match expenditures for the disadvantaged and handicapped. The Committee bill would give the Office of Education that authority.

Such categorical matching is necessary to assure that Congressional intent in giving special status to these areas is upheld. According to Office of Education statistics, the national average matching ratio for all basic vocational programs in 1973 was $5.93 of State and local funds for $1.00 of Federal funds. However, the matching ratio for the disadvantaged was only $2.19 to $1.00, and the ratio for the handicapped was a mere $1.10 to $1.00. In fiscal year 1973, 23 States spent less in matching Federal funds for the disadvantaged than they had in 1970; 19 States spent proportionately less on the handicapped. In fact, the General Accounting Office found that some States, over a three-year period, spent no State or local funds on the disadvantaged or handicapped.

The Committee bill would require these national priority areas to be separately matched by State and local funds, but at a lower matching ratio than required for the overall vocational education program.

The Committee bill also provides for a new national priority area—vocational education for persons with limited English-speaking ability in those States with high concentration of such persons. Those States would be designated by the Commissioner, pursuant to regulation. The Committee expects the Commissioner to undertake an analysis of the distribution of our nation's population with limited English-speaking ability, and promulgate a list of States with a high concentration of such persons. Each such State would then be required, under the Committee bill, to expend at least five percent of its vocational education funds for vocational education for persons of limited English-speaking ability, with two State and local dollars being expended for that purpose for every three Federal dollars.

The Committee bill continues, as a national priority area, existing provisions for allocation of specially appropriated funds to areas within the State which have a high concentration of youth unemployment and school dropouts. Such funds shall be used to pay the full cost of vocational education for disadvantaged students. These programs should include participation of nonpublic school students whose educational needs are of the type the vocational program is designed to meet.

Finally, the Committee bill provides that vocational education for persons of limited English-speaking abilty, conducted with funds authorized by a separate authorization of $40 million. Such appropriation, allocated among the States according to the basic distributional formula, shall be used to pay the full cost of vocational education for such persons, and, to the extent consistent with the number of students enrolled in nonprofit private schools whose needs are of the type the program is to meet, serve such students as well as those in public schools.

Payments to States

The Committee bill authorizes the Commissioner to pay to the States the amount necessary to pay 50 percent of the cost of carrying out the annual program plan, 60 percent of the cost of matching certain national priority programs, and 100 percent of the cost of the special programs for the disadvantaged and for persons of limited English-speaking ability.

In addition, the Commissioner shall pay the Federal share of the cost of State administration. Under the Committee bill, the Federal share shall be 50 percent of the cost. However, to allow States to phase in their support for State administration from their own funds, the Committee bill provides that for fiscal year 1978 the Federal share shall be 85 percent and for fiscal year 1979 the Federal share shall be 70 percent.

The issue of the percentage of Federal program funds which is retained at the State level for administrative purposes was one which was widely discussed before the Committee. The General Accounting Office reported that the proportion of Federal funds spent for administrative-type activities has been growing at a greater rate than the proportionate increase in Federal funds. William F. Pierce, Deputy Commissioner of the Office of Education's Bureau of Occupational and Adult Education, disputed this claim, asserting that a special Office of Education study showed that the national average of program funds spent for State administration was holding relatively steady at approximately 10 percent.

Similar education legislation within the jurisdiction of the Committee typically allows between three and five percent for State administrative expenses. Large programs, such as title I of the Elementary and Secondary Education Act, allow only one percent to defray the costs of State administration.

Rather than set a fixed Federal percentage which could be used for administration, the Committee decided that States should be allowed to devote any amount they perceived as necessary to program administration, provided they demonstrated their commitment to the quality of such administration by also committing their own funds to match the Federal contribution. In recognition of the difficulty of matching such funds 50-50 the first year, the Committee bill provides for a three-year phase in of the State matching requirement.

In addition, the Committee bill provides that when any State's commitment to vocational education is demonstrated by its commitment of State and local funds to vocational education at a level twice the national average percentage of matching, the Commissioner shall set the Federal share for that State for that fiscal year at a rate higher than otherwise specified, although the Federal share cannot exceed the full cost of State administration. If a State is contributing to vocational education at that level, the Committee does not believe that it should be required to have to commit additional funds to match Federal funds for its administrative costs.

The Committee bill defines "administration" to mean the activities of a State necessary for the proper and efficient performance of its duties under the Act. This would include supervision and evaluation of vocational education programs. However, it would not include other activities currently carried out at the State level, and included in the Office of Education's definition of "ancillary services," such as teacher training programs, curriculum development, and research activities.

The language of existing law concerning maintenance of combined State and local fiscal effort for vocational education is included in the Committee bill. However, in recognition of the difficulties many local educational agencies, and even States, are experiencing in this time of inflation and declining tax bases, the Commissioner is authorized to waive so much of the maintenance of effort requirement as he determines equitable to reflect such reduction in available tax resources. In addition, the Committee bill requires that postsecondary educational institutions receiving Federal vocational education funds also maintain effort. The Commissioner may waive so much of such requirement as he determines equitable, in accordance with objective criteria of general applicability.

PART B—ANCILLARY SERVICES

Subpart 1—Vocational Guidance and Counseling

Purpose

The Committee bill authorizes a new subjart of the Vocational Education Act to provide Federal assistance to States to enable them to develop and conduct vocational guidance and counseling programs, and to improve existing programs. Witnesses before the Committee documented in detail the need for increased Federal attention to the often-slighted field of vocational guidance and counseling, as an integral part of preparing our nation's students to make informed occupational and career choices. Subpart 1 of part B seeks to make additional Federal funds available to assist such efforts.

Authorization of Appropriations

The Committee bill authorizes $25 million for fiscal year 1978, $35 million for fiscal year 1979, $45 million for fiscal year 1980, $55 million for fiscal year 1981, and $75 million for fiscal year 1982, to carry out vocational guidance and counseling programs.

Of the sums appropriated, the Commissioner shall reserve up to three percent for allotment to the outlying areas. The remainder of the sums appropriated shall be allotted among the States on the basis of their relative populations.

Uses of Funds

States wishing to participate in vocational guidance and counseling programs under this subpart would include in their annual program plans details concerning their proposed allotment of such funds among eligible recipients. Services which could be supported with these monies would include initiation, implementation, and improvement of vocational guidance and counseling programs of high quality; vocational counseling for children, youth, and adults; educational and job placement services; vocational guidance and counseling training designed to acquaint counselors with changing work patterns of women, ways of effectively overcoming sex stereotyping, and ways of assisting girls and women to select careers based on their occupational needs and interests, and including developing free career counseling materials; vocational and educational counseling for youth offenders and adults in correctional institutions; vocational guidance and counseling for persons of limited English-speaking ability; establishment of vocational resource centers to meet the special needs of out-of-school individuals, and leadership for vocational guidance and exploration programs at the local level.

The language of the Committee bill specifically includes educational and job placement services designed to prepare individuals for professional occupations requiring a baccalaureate or higher degree, including followup services.

Many college graduates, particularly in the liberal arts field, leave their campuses to search for jobs but end up facing unemployment and under-employment. No magic formula can provide a solution to this problem, but it is the intent of the Committee to remove one major obstacle to the assistance which these young people should be receiving from the four-year colleges and universities.

In the Vocational Education Act of 1963, Congress recognized the need for financial support of career planning and placement for students—but not for those pursuing the baccalaureate degree. Thus, for 13 years, Federal assistance has been available at high schools and junior colleges whose graduates now number more than 3,200,000 per year, but not to baccalaureate graduates who now total approximately one million per year. Because of the lack of authorization for Federal funding, career planning and placement offices at the nation's colleges and universities and their graduates have been denied vitally needed assistance. This has been especially unfortunate in the years since 1972, as job prospects for most of these graduates have declined sharply and the nation's economy has suffered the loss of its well educated and trained men and women.

Subsection 123(3) removes this prohibition and expressly includes baccalaureate candidates in the government's assistance program. This can be done at a modest cost because of the smaller numbers of students and institutions involved and because the career planning and placement offices on most four-year campuses are established, have expertise, and are applying it to the degree possible within limited budgets. The Committee deems it imperative that sufficient operating capital be provided for staffing and facilities to prepare students for the realities of the job market.

The decision by the Committee to include baccalaureate degree candidates in this career planning and placement program cures a long-standing defect in the vocational efforts of the Federal government, and should do much to assure the full and effective utilization of our four-year college graduates.

Cooperative Arrangements

The Committee bill provides that applications for guidance and counseling funds shall set forth cooperative arrangements with community groups and agencies, in order to avoid unnecessary duplication in the provision of services to the area or community to be served. This provision reflects the consistent theme of the Committee bill—that all community resources should be employed, to assure the best possible vocational programs with a minimum of overlap and duplication.

Subpart 2—Vocational Education Personnel Training

Purpose

The Committee bill transfers to the Vocational Education Act the training programs for vocational education personnel currently authorized by the Education Professions Development Act, which the Committee proposes to revise completely. The purpose of the subpart is stated to be to provide training and retraining opportunities for persons serving or preparing to serve in vocational education programs, as well as providing opportunities for potential vocational education leaders to enroll in programs of advanced study.

Authorization of Appropriations

The Committee bill authorizes $55 million for fiscal year 1978, $61 million for fiscal year 1979, $67 million for fiscal year 1980, $74 million for fiscal year 1981, and $81 million for fiscal year 1982, to carry out programs of vocational education personnel training.

Training Programs

The Committee bill authorizes the Commissioner to enter into arrangements with a wide number of grantees or contractors, to carry out programs or projects designed to improve the qualifications of persons serving, or preparing to serve, in vocational education programs. By so doing, the Committee broadens the existing training authority under the Education Professions Development Act beyond training and retraining of experienced vocational education teachers to include programs designed to attract and train others to the field of teaching in vocational education. While the Committee bill continues to authorize such retraining of skilled personnel, it also incorporates provisions of the Occupational Education Act, authorized by the Education Amendments of 1972, by expanding such training activities to include preparation of journeymen in the skilled trades or occupations for teaching positions. Often such individuals possess the requisite technical knowledge to instruct students in vocational courses; however, they lack the necessary teaching credentials to make them eligible to meet State requirements. Training under this section could provide such necessary educational credits.

In addition to classroom teachers, the Committee bill authorizes training and retraining of counseling and guidance personnel in the field of vocational guidance. It also emphasizes training for teachers, supervisors, and teacher-trainers, in order to improve the quality of vocational education for persons with limited English-speaking ability, plus training and retraining of guidance and counseling personnel to meet the special needs of such persons.

The Commissioner may include in the terms of a grant or contract provision for stipends and dependents' allowances, in amounts consistent with prevailing practices under comparable Federally supported programs.

Leadership Development Awards

The Committee bill authorizes the Commissioner to make leadership development awards to qualified vocational personnel. Such awards, which are for graduate study, are to be made to outstanding individuals with at least two years of experience in vocational education or vocational research, who are recommended by their employers or other qualified individuals. The Committee is aware that the Office of Education, in administering section 552 of the Higher Education Act, has abdicated its responsibility for selecting the recipients of such awards by delegating the selection process to State directors of vocational education. The Committee does not intend that this procedure continue. Rather, the Commissioner should exercise his statutory authority in selecting leadership development award recipients, taking into account all of their qualifications and recommendations, including, but definitely not limited to, the recommendation of the State director.

Similarly, it is the responsibility of the Commissioner to approve the program of graduate education in which the award recipient will enroll. While one of the qualifications for an eligible program is its approval by the State board for vocational education in the State in which such institution is located, such approval is not the definitive criterion for acceptability. The Committee bill specifically limits the number of institutions at which awardees may study to twenty, all of which must offer a graduate program with a specialty in vocational education. This limited number of approved institutions is intended to prevent spreading Federal awards "too thin", and to concentrate such awards on the institutions of highest quality.

The Committee bill authorizes an appropriation of $5.12 million for each fiscal year between 1978 and 1982.

PART C—INNOVATION

Subpart 1—Exemplary Programs and Projects

Purpose

The purpose of this subpart is to authorize the Commissioner to make grants and contracts for exemplary programs and projects for secondary schools, with special consideration for students with special needs in national priority areas, youth who have left school, and students in postsecondary educational institutions.

Commissioner Bell, in his testimony before the Committee, stressed the Administration's proposals to shift substantial amounts of Federal funds for vocational education from basic program support to shorter-term support for grants for innovative programs. Members of the Committee were concerned that such a proposal was unrealistic. School systems are already hard-pressed to find funds necessary to maintain on-going educational programs. They would, in many cases, be unable to pick up the additional costs of new vocational programs as Federal funds were withdrawn, as the Administration proposed.

However, the Committee is sympathetic to the idea that funds be addressed to the needs of special populations in this country, as well as to exemplary and innovative programs for vocational students at all levels. Subpart 1 of part C reflects this concern.

Authorization of Grants and Contracts

The Committee bill authorizes $25 million for fiscal year 1978, $30 million for fiscal year 1979, $40 million for fiscal year 1980, $50 million for fiscal year 1981, and $75 million for fiscal year 1982, for grants and contracts for innovative programs.

From the sums appropriated, the Commissioner will first reserve up to 3 percent for allocation among the outlying areas. Of the remainder, half of the money would be available to the Commissioner for grants and contracts; the other half would be available to States for such grants and contracts, as set forth in the State's annual program plan. Funds available to the Commissioner would be totally discretionary, without any mandatory State formula. Funds available to the States would be distributed on the basis of $200,000 per State, with the balance allocated on the basis of population 15 to 19.

Uses of Funds; Priority

The Administration bill set forth several areas as demonstrated national priorities, of the type the Commissioner would encourage if the Administration proposal were adopted. The Committee bill takes the Office of Education at its word, and requires the Commissioner to expend the funds available to him for discretionary projects only on national priority areas, as determined by him pursuant to regulation. Among those national priority areas must be those areas already identified by the Office of Education in its testimony and legislation as most important:

The development of high quality vocational education programs for urban centers with high concentrations of poor, unskilled workers, and the unemployed;

The development of training opportunities for persons in sparsely populated rural areas, and for those migrating from farms to cities;

The establishment of guidance and placement centers for unemployed youth and adults;

The development of effective vocational education programs for individuals with limited English-speaking ability; and

The establishment of cooperative arrangements between public education and manpower agencies.

The Commissioner may, of course, add other priorities to his list of eligible program purposes. However, those identified in the Committee bill must be included on any list promulgated.

States, on the other hand, may use their funds for those areas identified by the Commissioner or for other programs designed to broaden occupational aspirations and opportunities for youth, with special emphasis on those with academic, socioeconomic, or other handicaps. The programs suggested for possible State funding are illustrative of the kinds of programs which might provide such broadened opportunity. The Committee intends that States have much greater discretion in pin-pointing the sorts of innovative programs they wish to support than that allowed the Commissioner. His discretion is limited to statutorily mandated priorities, plus additional priorities he will fix, pursuant to regulation. Requiring such a regulation process will assure adequate public involvement in the determination of areas of national priority for support.

In entering into grants and contracts, both the Commissioner and the State board, shall give priority to programs and projects designed to reduce sex stereotyping in vocational education.

Conditions of Grants and Contracts

In entering into grants and contracts, both the Commissioner and the State board shall determine that effective procedures will be adopted by grantees and contractors to coordinate with the annual State program plan for vocational education and with other public and private programs having a similar purpose. Again, the intent of the Committee is to have the best possible use of vocational education funds, and to avoid any possibility of duplication of other worthwhile efforts in the same community.

In addition, the Commissioner or State board must determine that, to the extent consistent with the number of students enrolled in nonpublic schools whose needs are of the type for which the program was developed, provision has been made for their participation. Funds under this subpart may not be commingled with State or local funds, in order to assure the possibility of such participation.

The Commissioner may not fund a program or project for more than three years, except in the exceptional situation that it is of such national significance that an additional year of Federal support would serve to carry out the subpart's purposes better than terminating Federal assistance at the expiration of the three-year period. In the case of a project supported by the State board, the same limitation would apply. As part of its annual program plan, the State board shall set forth the grants and contracts it expects to make under this subpart, together with the expected amount and duration of Federal funding for such grants and contracts under this subpart. When a project is in its final year of eligibility for Federal support, the annual program plan shall indicate the proposed disposition of that project when Federal funding ceases, and the means by which successful projects will be continued and expanded within the State.

Over the years, the Committee has been disappointed to learn that, all too often, promising programs wither and die when Federal support for them ceases. What has been hailed as a worthy educational program somehow fails to be worthy of State or local support when Federal funding is withdrawn. The Committee hopes that the language of its bill will serve a two-fold purpose—to make States and localities face the question of a program's future before its Federal support ceases, in order that all alternative funding mechanisms may receive consideration well in advance of a program's threatened termination, and to give both the Office of Education and the Committee some solid evidence concerning what actually happens to innovative programs when States and local communities are asked to pick up the bills. Short-term funding of programs labeled "innovative" could tend to encourage the gimmicky; if innovation is to have a lasting impact on the educational system, it must be of more than a three-year duration, and become built into the regular vocational education program in a State or community.

Payments

The Committee bill authorizes the Commissioner to make payments to approved applicants for their expenditures. Payments of grant funds may be made in installments, in advance, or as reimbursement for funds already expended. Funds available to the Commissioner for discretionary grants shall remain available for expenditure until actually expended.

Subpart 2—Curriculum Development

Purpose

The Committee bill provides Federal assistance for the development and dissemination of curricula for new and changing occupations. This is a change from existing law, which does not limit the occupations for which curricula may be developed, and reflects the emphasis throughout the Committee bill on using Federal funds to assist in new occupations for which State and local funds might not be available.

Authorization of Appropriations

The Committee bill authorizes appropriations of $10 million for fiscal year 1978 and for each of the four succeeding fiscal years.

Uses of Funds

Under the Committee bill, the Commissioner, after consultation with the National Advisory Council and relevant State boards, is authorized to make grants or enter into contracts with institutions of higher education, States, and other public and nonprofit agencies and institutions. He may also contract with nonprofit and profit-making agencies, organizations, and institutions.

Such grants or contracts are for the purpose of development and dissemination of vocational education curricula for new and changing occupations, or for persons with special needs; development of curricula and guidance and testing materials designed to overcome sex bias in vocational programs, plus the necessary support services to enable teachers to meet the needs of individuals who are enrolled in programs which have traditionally been limited to members of the opposite sex; surveying, coordinating, and evaluating curriculum materials, and disseminating the results thereof; and training personnel in curriculum development and the use of curricula developed with funds appropriated pursuant to this subpart.

In adopting this subpart, the Committee did not intend that the Commissioner of Education enter into competition with other agencies or organizations also involved in developing curricula for vocational education programs. Rather, the purpose of this subpart is to assure that curriculum materials are available and are widely disseminated. In essence, the subpart continues the authority currently contained in part I of the Vocational Education Act.

The Committee bill stresses the importance of curriculum development, especially in new and changing occupations and for special needs populations. As was noted by the Honorable Roman C. Pucinski, Co-chairman of the Committee on Legislation of the National Advisory Council on Vocational Education, curriculum development funds are crucial. In his words, "we cannot talk about modernizing vocational education without developing curriculum needs to meet changing needs of vocational education."

PART D—STUDENT PROGRAMS

Subpart 1—Work-Study Programs for Vocational Education Students

Authorization of Appropriations

The Committee bill authorizes appropriations of $45 million for fiscal year 1978, $50 million for fiscal year 1979, $55 million for fiscal year 1980, and $60 million per year for fiscal year 1981 and for fiscal year 1982, for vocational work-study programs.

Allotment Among States

The Committee bill continues the existing formula for allotment of vocational work-study funds among the States, on the basis of relative population aged 15 to 20. Unused funds may be reallotted, on a pro rata basis, among other States which need work-study funds.

Work-Study Programs

States, under the Committee bill, would include in the annual program plan a description of the proposed allotment of vocational work-study funds among local educational agencies. This allotment must, similar to existing law, give priority to applications from communities with substantial numbers of school dropouts or unemployed youth.

Federally assisted work-study programs may involve only students enrolled full-time in vocational education programs eligible for assistance under the Act, who need the earnings from their employment to stay in school, and who are between the ages of 15 and 21. They must also be adjudged capable of maintaining their academic standing while also being employed in a vocational work-study program. Students must be employed by the school district or other public agency, and, to the extent practicable, their work must be related to their vocational studies. Existing limitations on hours of work and permissible salary ranges were eliminated in the Committee bill, as they no longer represented reasonable limits, given the inflation which has taken place since the 1968 Amendments were passed.

Finally, the Committee bill provides that a local educational agency receiving work-study funds must continue to spend, from non-Federal vocational work-study funds, an amount not less than its average annual expenditure for work-study programs during the three preceding fiscal years.

As under existing law, Federal vocational work-study students shall not be considered Federal employees for the purposes of any other legislation.

Payments

The Committee bill provides that the Commissioner shall pay States 80 percent of the compensation of students employed in vocational work-study programs under their annual program plan. An additional amount, not to exceed one percent of the State's allotment under this subpart or $10,000, whichever is greater, may be expended for the development of the work-study portion of the annual program plan and for the administration of the program.

Subpart 2—Cooperative Vocational Education Programs

Purpose

Cooperative vocational education programs are designed to allow students to alternate academic and vocational study, in public or private employment, which is related to their vocational and occupational objectives. The Committee bill continues the program originally authorized under part G of the 1968 Amendments.

Allotment Among States

The Committee bill does not change the existing formula for allocation of cooperative education funds among the States. First, the Commissioner reserves up to three percent for the outlying areas. He then allots each State $200,000, plus an additional amount based on its relative population 15–19. Unneeded funds may be reallotted to other States, on the basis of criteria set by the Commissioner by regulation.

Cooperative Vocational Education Programs

A State's proposed allotment of cooperative vocational education funds shall be set forth in its annual program plan, under the Committee bill. Funds may be used for the establishment and expansion of cooperative vocational education programs, with priority to applications from school districts which have high rates of school dropouts and youth unemployment.

Cooperative vocational education programs should provide training not otherwise available; be established in cooperation with employment agencies, labor groups, employers, and community agencies; reimburse employers for added costs of on-the-job-training programs for students, if the training is related to career opportunities susceptible of promotion. In no case may the training displace regular workers of the employer, as the Committee does not intend cooperative vocational education students to jeopardize the job of a regular employee.

Programs funded with Federal money under this subpart are intended to involve students in nonpublic schools, to the extent that their needs are of the type the program is designed to serve. In order to assure such involvement, the Committee bill prohibits any commingling of Federal funds for cooperative vocational education with any other State or local funds. Such Federal funds may be used to pay all or part of the cost of establishment and expansion of the programs.

PART E—EMERGENCY ASSISTANCE FOR REMODELING AND RENOVATION OF VOCATIONAL EDUCATION FACILITIES

Purpose

Part E of the Committee bill authorizes a new program of Federal assistance for the renovation, remodeling, and conversion of vocational education facilities. Testimony before the Committee stressed the inadequacy of facilities in urban and rural areas, and the resulting low level of the vocational education services that were able to be provided to students. The National Advisory Council on Vocational Education urged "a special program of crash funding . . . for vocational education to urban areas without reduction of funds to rural and suburban communities. Part E of the Committee bill seeks to provide such funding, but without limiting it to urban areas. The part would provide for Federal aid for modernization of facilities and equipment, including remodeling and renovation of facilities in order to make them comply with the requirements of the Architectural Barriers Act of 1968.

The need for such assistance was amply documented in material provided to the Committee by The Council of the Great City Schools. A survey of the membership of the Council, which only includes 27 of the Nation's largest city school systems, indicated a dramatic need for renovation and up-dating funds. As the report noted:

> The increased enrollments in vocational education programs in our cities at a time when general enrollment is declining reflects the sincere aspirations of young people and the growing commitment of urban school districts to this task. New York City is unable to accommodate 15,000 students each year who evidence interest in skill training in vocational high schools. In Washington, D.C., a student must wait around two years for entry into the Armstrong Adult Center.

According to the Council's study, one of every two buildings currently in use for vocational education programs in three of our country's major cities—Baltimore, Chicago, and New York—was constructed prior to the Second World War. To make such facilities responsive to modern vocational education needs, extensive renovation would be necessary. In the judgment of vocational education directors of several major cities, 65 percent of their existing facilities need major renovation, and 13 percent need complete replacement.

The Committee bill would provide limited funds for renovation and remodeling. It would not provide any funds for new construction.

Obsolescence of vocational education facilities is not the only problem facing our rural and urban areas. In many areas, declining enrollments in academic subjects, when combined with increased demand for vocational education, leaves school facilities empty which vocational facilities are over-loaded. According to William F. Carroll, Executive Director of the Rhode Island State Advisory Council on Vocational Education, in the State of Rhode Island alone there were 46 schools, all built since 1945, with a total enrollment below capacity of 9,921 spaces. With a limited infusion of dollars, these spaces could be converted from academic to vocational use.

Finally, the Committee bill includes a provision that requires that, as part of the over-all remodeling of the facilities, they be brought into conformity with standards required by the Architectural Barriers Act, providing for accessibility of facilities and equipment to handicapped persons.

Authorization of Appropriations

The Committee bill authorizes appropriations of $25 million for fiscal year 1978, $50 million for fiscal year 1979, $75 million for fiscal year 1980, and $100 million for fiscal year 1981. In order to emphasize the one-shot emergency nature of this part, its authorization is only for four years, rather than the five-year length of the rest of the Committee bill.

Applications

A local educational agency seeking renovation funding would, under the Committee bill, submit an application to the Commissioner, through its State board for vocational education. The State board would, of course, have the opportunity to make its comments known to the Commissioner, in transmitting the applications of its school districts.

The application would include certain things:

A description of the facility involved, including the date of its construction and the extent of reconstruction necessary;

A description of equipment to be replaced or modernized;

A description of the extent to which modernization or conversion of the facility and equipment would further the goals of the comprehensive Statewide long-range plan;

The financial ability of the school district to undertake the project without Federal help;

Assurances that the completed facility will meet the standards adopted pursuant to the Architectural Barriers Act;

The extent of State and local funds which could serve to match Federal funds under this part;

Such other information as the State board for vocational education deems appropriate; and

Such other information as the Commissioner may require, by regulation.

The Commissioner would be strictly limited by the provisions of the Committee bill in approving applications under this part. He would be limited to two specific criteria, in deciding which proposals to fund.

First, one criterion would be the district's relative need for the assistance. This decision would be required to take into account such specific factors as the age and obsolescence of the facilities and equipment, the rate of youth unemployment in the district, the number of unemployed youth 17–21 in its labor market area, the ratio of such unemployed youth to the district's vocational education enrollment, and the ability of the facility to comply with the Architectural Barriers Act. All of these factors are reasonably quantifiable, and should provide the Commissioner with a statistical basis for making a decision.

The second criterion he must apply is the degree to which the modernization affords promise in achieving the goals set in the State's comprehensive Statewide long-range plan. While this criterion is less concrete, the plan should provide a sufficient base-line for the Commissioner to evaluate the relative importance of each local educational agency's application.

Using these two criteria, and these only, the Commissioner shall rank all applicants for part E funds, according to their relative need for assistance. Then, from the sums appropriated, he shall fully fund the Federal share—75 percent of the cost—of each applicant in rank order, until such funds are exhausted. Upon a finding, in writing, of a district's extreme financial need and inability to raise the 25 percent matching share, the Commissioner may pay the full cost of the renovation. The Committee bill fully funds applicants from the top of the list to the point where funds are all expended, rather than providing a ratable reduction in the amounts paid to all approved applicants, for a simple reason—what is being proposed is a program of reconstruction and remodeling. If a school district does not receive the amount necessary to undertake that task, it cannot proceed with a reduced amount. In an "all or nothing" situation, it appeared to make more sense to the Committee to make sure that some communities were able to upgrade their vocational education facilities, rather than providing an inadequate amount to every applicant.

In order to assure the necessary expertise in the decision concerning the Architectural Barriers Act, the Committee bill requires the Commissioner to consult with the Administrator of General Services and the Architectural and Transportation Barriers Compliance Board.

Payments

Once the Commissioner approves an application for funding, under the Committee bill, he shall reserve the necessary funds from the appropriation to enable him to pay the Federal share. Such payments can be made in advance or to reimburse local educational agencies for monies already expended.

PART F—CONSUMER AND HOMEMAKING EDUCATION

Statement of Purpose

The Committee bill essentially continues the program currently authorized under part F of existing law, dealing with consumer and homemaking education. The statement of purpose stresses that consumer and homemaking education is for both males and females, to prepare them for the occupation of homemaking. Such programs should be designed for students of all ages, helping individuals and families improve home environments, improve the quality of personal and family life, and enhance employability.

Authorization of Appropriations

The bill authorizes appropriations of $50 million for fiscal year 1978, $60 million for fiscal year 1979, $70 million for fiscal year 1980, $75 million for fiscal year 1981, and $80 million for fiscal year 1982, to support consumer and homemaking education programs.

Allotment

The Committee bill does not change existing law, which allots funds among the States on the basic vocational education program formula. Unneeded funds may be reallocated among other States on the basis of factors the Commissioner determines equitable and reasonable.

Uses of Funds

A State will describe its proposed allotment of consumer and homemaking education funds in its annual program plan, under the Committee bill. Local educational agencies receiving funds should have programs which:

Give greater consideration to economic, social, and cultural conditions and needs of all persons, including a number of special audiences;

Prepare persons for professional leadership;

Are designed to prepare males and females for combining roles of homemaker and wage earner;

Include consumer education, resources management, nutrition, and parenthood education, so that they meet current societal needs;

Are designed for males and females who have entered, or are preparing to enter, the occupation of homemaking; and

Provide for ancillary services, activities, and other means of assuring quality in all consumer and homemaking education programs.

At least one-third of the funds in each State shall be expended in economically depressed areas or areas with high rates of unemployment, for programs designed to assist consumers and to help improve home environments and the quality of family life.

Payments

The Federal share of expenditures for consumer and homemaking education would be 50 percent, under the Committee bill, except for programs in areas which are economically depressed or have high rates of unemployment, in which case the Federal share would be 90 percent.

PART G—SPECIAL ENERGY EDUCATION

The Committee recognizes that the increased use of coal is a vital function of the Nation's attempt to attain greater self-sufficiency in energy matters in the years ahead. Emergency energy legislation attempts to further technological development in the production of this fossil fuel.

Any high degree of energy self-sufficiency will require unprecedented growth of coal production from today's nearly 600 million tons to almost 2 billion annual tons by 1985.

There is, however, a critical manpower shortage in major coal mining areas, particularly in the Eastern underground operations. The need is primarily in the area of skilled mining technicians sufficient to assure increased production with safe and environmentally sound controls. In the major coal-producing State of West Virginia, for example, industry and governmental sources estimate that ther are at present approximately 3,000 mining technician jobs available which are unfilled because of insufficiently trained personnel. Attempts to open new mining operations or to expand existing facilities are severely constrained because of such personnel restrictions. The new part G authorized by the Committee bill seeks to meet these needs.

Authorization of Appropriations

The Committee bill authorizes an appropriation of $5 million for fiscal year 1978 and $10 million for each of the next four fiscal years.

Grants for Energy Education Program Authorized

The Commissioner, after consultation with, and in coordination with, the Secretary of the Interior and the Administrator of the Energy Research and Development Administration, is authorized by the Committee bill to make grants to postsecondary educational institutions to carry out programs to train miners, supervisors, technicians, and environmentalists in the field of coal mining and coal mine technology. In making such grants, he shall give priority to those institutions in States having a special need for such programs.

Applications

An institution desiring to participate in the program would apply directly to the Commissioner. Its application would be required by the Committee bill to describe its training program, insure that curricula be designed to meet the needs of existing mining personnel and to enable coal mine employees to upgrade their skills, and meet other requirements prescribed by the Commissioner.

Payments

The Commissioner shall, under the Committee bill, pay to each successful applicant the full cost of carrying out its application.

PART H—RESEARCH

Authorization of Grants and Contracts

The Committee bill authorizes $65 million for fiscal year 1978, $75 million for fiscal year 1979, $85 million for fiscal year 1980, $95 million for fiscal year 1981, and $100 million for fiscal year 1982, for vocational research.

Fifty percent of the sums appropriated would be available to the Commissioner for grants and contracts, without any State formula; the other fifty percent would be allocated to the States on the basis of the basic vocational education program grant formula. State funds may be used to support 75 percent of the cost of the State research coordination unit and for grants and contracts to nonprofit agencies and institutions for research, development, and dissemination.

In making such grants and contracts, both the Commissioner and the State board for vocational education shall give priority to programs designed to reduce sex stereotyping in vocational education.

Uses of Federal Funds

The Commissioner is authorized by the Committee bill to make grants and contracts for vocational education research, training programs designed to familiarize vocational education personnel with research findings and successful demonstration projects, experimental programs, demonstration and dissemination projects, development of new curricula, and projects in the development of new careers and occupations. State funds may be used to pay 90 percent of the cost of research and training programs; experimental projects to meet special vocational needs of youths, especially the disadvantaged; and dissemination of information. In making such grants or contracts, the State board must seek the recommendations of the State research coordination unit or the State advisory council.

Applications

Applications submitted to the Commissioner must, under the Committee bill, describe the project, state the qualifications of the principal staff involved, justify the amount of funds requests, describe the portion of the cost to be borne by the applicant, and provide for necessary fiscal control and fund accounting procedures. Each grant or contract made by the Commissioner must be reviewed by a panel of experts who are not Federal employees.

Payments

The Commissioner shall pay to each approved applicant the amount expended by it in conducting its project.

PART I—SPECIAL PROJECT GRANTS TO ASSIST IN OVERCOMING SEX BIAS

Authorization of Appropriations

The Committee bill authorizes $5 million for each year from 1978 through 1982, for a new part of the Vocational Education Act providing for special project grants to assist in overcoming sex bias.

Program Authorization

The new part I authorizes the Commissioner to pay the Federal share, not to exceed 75 percent of the cost of the application, of supporting activities which show promise of overcoming sex stereotyping and bias in vocational education.

According to the report of the Secretary of Health, Education, and Welfare's Advisory Committee on the Rights and Responsibilities of Women:

> We have found that girls and women tend to be enrolled in vocational education programs which, like many home economics programs, either do not prepare them for gainful employment or which prepare them only for low-paying, dead-end jobs. For example, in 1972 (the last year in which the Office of Education collection vocational education enrollment data by sex), 49.5% of all female vocational education enrollments were in non-gainful home economics, and 30.5% were in office occupations—mostly in typing and filing courses. At the same time, only 4.8% of the female enrollments were in the trade and industrial programs which lead to higher paying jobs, and which accounted for 46.9% of the male enrollments.

Title IX of the Education Amendments of 1972, prohibiting discrimination on the basis of sex, applies to the Vocational Education Act as well as to other programs of Federal Assistance to education. However, often mere prohibition of discrimination is not enough to break down traditional barriers. The authority contained in the Committee bill will provide for grants designed to assist in overcoming sex stereotyping and sex bias in vocational education.

PART J—BILINGUAL VOCATIONAL TRAINING

The Committee extended and expanded the provisions of law establishing bilingual vocational education and training programs, integrating those programs into the structure fashioned by the overall vocational education amendments. The major changes in the programs returned the bilingual vocational education program to the form in which it had been approved by the Senate as part of the Education Amendments of 1974. The programs conducted under the bilingual vocational education authority would be coordinated with Title VII of the Elementary and Secondary Education Act and other bilingual education programs. The Director of the Office of Bilingual Education would review those aspects of vocational education programs dealing with bilingual education to insure their adequacy. The authorizations for the bilingual vocational education program are set at the $40 million level adopted by the Senate previously. The program is authorized through FY 1982. The Committee also retained a special setaside to insure that in areas of high concentrations of limited English-speaking persons, there would be some minimum assurance of attention to their needs.

The State advisory council would include representation from the school systems with concentrations of limited English-speaking ability and State plans would both include an assessment of the needs and resources required to provide bilingual vocational education to the limited English-speaking.

General programs such as the State advisory council, development of the State plan, development of vocational education personnel preparation, guidance and counseling programs, leadership development awards and exemplary programs and projects all would have a specific component to assure the achievement of the needs of the limited English-speaking students.

In addition, the new legislation extends the Part J Vocational Training program to assist limited English-speaking persons who have dropped out of school or who are beyond the appropriate school age level. Some 20 small projects have been operated under the initial Part J authorization as a beginning effort in this area. They provide vocational training to some 3200 individuals at this time. The new legislation extends the authorizations for bilingual vocational training through FY 1982, at the level of $40 million through FY 1978, $60 million in FY 1979, and $80 million for each year through FY 1982.

The Committee continues to believe that the lack of attention to the needs of limited English-speaking students, documented by the findings of the U.S. Civil Rights Commission and the G.A.O., require special attention and concern. The Committee believes the past failure to provide equal educational opportunity to these individuals in this area of education, so crucial to later economic success, must be remedied. For example, studies show the Spanish heritage family to have an income 21 percent less than the national average. They also show Spanish-heritage individuals to be far less likely to attend college or to be located in management and professional positions than the national average.

The lack of opportunity for many limited English-speaking children to reach college, perhaps symbolized by the U.S. Civil Rights Commission finding that Mexican-American students were only half as likely as their peers to go on to college, indicated the need for other options, options that meet the special needs of limited English-speaking persons. The Final Report and Recommendations of the Teachers National Field Task Force on the Improvement and Reform of American Education also emphasized the need to develop the capacity of schools to provide such bilingual vocational education through bilingual educational personnel preparation and curricula development.

The Project Baseline report found in 1972 that of 9 million students enrolled in vocational education, only 6 percent were Spanish-surnamed Americans, 0.7 percent were Orientals, and 0.5 were American

Indians. Even with this relatively small level of participation, the study concluded the programs specifically designed to meet their needs "were quite limited in number."

PART K—GENERAL PROVISIONS

Definitions

The Committee bill simplifies the definitions contained in existing law. The definition of "vocational education", as proposed by a committee of State directors of vocational education, emphasizes that Federal funds are to be used on vocational programs directly related to the preparation of individuals for employment. Such definition explicitly includes necessary vocational guidance and counseling. The term "State board" is defined to mean the existing State board for vocational education, which shall be the sole State agency responsible for the administration of vocational education, or for the supervision of its administration.

National Advisory Council on Vocational Education

The Committee bill extends the National Advisory Council on Vocational Education, adding to its membership a person familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education. In appointing members, the President shall make certain that there is appropriate representation of both sexes, racial and ethnic minorities, and the various geographic regions of the country.

The Committee bill provides an authorization of $250,000 annually to enable the National Advisory Council to employ necessary technical personnel. In addition, the bill contains a "such sums" authorization to cover the costs of the rest of the Advisory Council's activities.

Special Evaluations

The Committee bill requires the Commissioner to report annually to the Congress, giving an in-depth evaluation of the operation of Federally assisted vocational education programs in at least five States. In selecting the States to be evaluated, the Commissioner shall classify all States into three classifications, including an urban classification and a rural classification. The required evaluation shall be made in at least one State which the Commissioner determines to be substantially representative of each classification. In submitting his report, the Commissioner shall include the reasons for his selection of the States involved. Each State shall receive a report from the Commissioner of his findings and recommendations for its comment thereon, prior to the report to the Congress.

Title III—Extensions and Revsions of Other Education Programs

PART A—EXTENSION AND REVISION OF RELATED PROGRAMS

Extension of the Emergency Insured Student Loan Act of 1969

The Committee bill extends the provisions of the Emergency Insured Student Loan Act of 1969 through fiscal year 1982. This act authorizes the Secretary of Health, Education, and Welfare, after consultation with the Secretary of the Treasury and the heads of other appropriate agencies, to set the rate of the quarterly special allowance to be paid to holders of guaranteed student loans for the three-month period, based on current economic conditions and the state of the money market. The allowance may not exceed three percent.

Improved Determination of Special Allowance under the Emergency Insured Student Loan Act of 1969

The Committee takes full cognizance that the success of the Guaranteed Student Loan Program is fundamentally based on voluntary participation by private lending organizations. A number of administrative difficulties have provided subtle and unintended discouragements for lenders to enter or to remain in the student loan program. The Committee has often received reports of private lending institutions which are choosing to cease their participation in GSLP based on the administrative burdens and the delays and uncertainties regarding payments due them from the Federal Government. One particularly difficult situation is the delay in setting the rate and thus in making payments of the special allowance for Guaranteed Student Loans. Under the present statute and its administrative arrangements within HEW, delays and accompanying uncertainty of the retroactive rate-setting process has been extraordinarily discouraging to lenders wishing to participate, but who cannot or will not sustain the decrease in return caused by these delays. In order to assure that incentive payments of special allowance are paid promptly, that the appropriate consideration of both administrative and money market costs of program participation is made, and that voluntary lenders will have a better opportunity to assess the special allowance rate for the coming quarter prospectively, the Committee has provided a means for all participating and interested parties to review the present method under which the special allowance is determined and to advise the Committee and the House Committee on Education and Labor on an improved method for determining this rate.

The recent history of announcement dates for the special allowance rate demonstrates the need for a timely and certain procedure for determination of the rate. On April 28, 1976, the Department of HEW promulgated regulations specifying the rate for the quarter ending March 31; and on February 3rd regulations were promulgated for the quarter ending December 31, 1975. In both cases, lenders received no compensation for the delay of over four weeks in receiving their special allowance payment. However, this represents a more prompt announcement than in several previous quarters. In a program of the magnitude of GSLP, the delay of special allowance payment for even a few days creates a sizeable and unnecessary financial burden for the lenders.

The Committee has received testimony and periodic inquiries as to the adequacy and fairness of the method of rate determination, in addition to the questions of timeliness. Official inquiries from State officials to HEW requesting an explanation of the method received a vague and unsatisfactory response. The Committee is aware that studies undertaken by HEW have examined the possibilities of using a formula or "peg" for the special allowance. While detailed inquiries into a special allowance formula have been made, their results are not uniform in conclusion and do not represent the views of all participating and affected parties. Therefore, the Committee has determined that an ad hoc Committee consisting of all the affected parties in the student loan program be convened to advise the Congress on the appropriate method for determination of a special allowance rate.

Such Committee will consist of representatives of Federal agencies, State agencies participating under reinsurance agreements, Sallie Mae, representatives of educational and financial institutions, and representatives of students. The Committee believes that only through an exchange of ideas among all the affected parties can the best method for determination of special allowance rate be reached. Once this ad hoc Committee reaches its conclusions as to the best method, it shall submit them to the respective authorizing Committees of the House and Senate. Each congressional committee will then undertake a process known as "coming into agreement". This process, which is currently under used for other similar technical decisions in the Committee on Public Works, allows a careful consideration of a number of highly technical alternatives before reaching a legislative conclusion. The Committee has intentionally designed this participation as an open process so that all affected parties will share in determining the best means for rate setting. The Committee is hopeful that the ad hoc Committee will reach a single recommendation to present to the Congress. However, if no such unanimous recommendation can be produced, each committee in the House and Senate can examine the proposed alternatives and attempt to come into agreement as to the best method for rate setting. It is hoped that the House and Senate committees can work cooperatively in this highly technical area to reach an agreement.

In the absence of an agreement, each Congressional Committee may request the ad hoc Committee to do additional research and consideration, so that an improved and acceptable proposal may be put before both Congressional committees for their agreement. Following agreement by each Congressional committee, the Secretary shall promulgate the appropriate regulations. The new method shall then have the force of law.

The Committee also considered other approaches to this problem of late payment of interest. S–3246 and a companion House measure (HR 12903) were introduced in the Congress by Senator Beall, a member of the Committee, and Congressman Gude, in the respective Houses of the Congress. These bills required HEW to make payments "within 30 days of receipt by the Commissioner of an itemized voucher". The Committee shares the frustration which led to the introduction of these measures, but declined to adopt them at this time pending review of the outcome of the ad hoc Committee and the potential for coming into agreement on an improved method.

The Committee also noted similar frustration with late payment of valid default claims submitted to HEW. The Committee has long supported appropriation actions to augment the staff necessary to administer the student aid programs correctly. The Committee notes with pleasure that the full Congress has accepted this view and expanded program staff to administer student aid, particularly the Guaranteed Student Loan program. The Committee notes that recently improvement has been achieved with respect to payment of default claims, for which processing time has been reduced to an average of 60 days. On April 5, 1976, the Office of Education announced the payment of more than $19 million to the lenders, as a result of clearing a backlog of more than 18,000 individual claims. The OE announcement also stated that processing time for claims would be reduced to an average of 60 days due to streamlining of the claims operation. While the Committee is pleased with this administrative improvement, it is necessary for such service times to remain at acceptable levels over a long period of time in order to rebuild and sustain lender confidence in the administration of the loan program. The Committee hopes that the additional resources made available to OE will result in a sustained level of improved service.

In Section 302, the Committee specifically designates that USOE officials directly concerned with the administration of the Guaranteed Student Loan Program provide needed technical assistance to the ad hoc Committee on the determination of the special allowance. The purpose of this mandate is to assure that those persons most closely associated with the administrative necessities and difficulties of the loan program are in the best position to advise and assist the ad hoc Committee when it reaches its determinations. The Committee drafted these provisions to assure that extraneous or inapplicable policy considerations are not used to outweigh the necessary technical and administrative aspects of correctly running a fair and efficient payment system for the special allowance. The Committee firmly believes it is necessary to coordinate all student aid activities within program units which have a strong and continuing relationship with the delivery system constituency of States, private agencies, schools, and lenders, as well as the ultimate constituency, the student. While the Committee has taken no legislative action regarding the organization structure of these student aid programs within the Office of Education, it remains concerned that the administration of student aid programs be properly coordinated, both within the Office of Education in an administrative manner, and for all program participants.

The Committee has taken several steps, such as creating an optional increase in reinsurance of state agencies loan programs and the Student Consumer Information provisions of Section 132, to streamline where possible, and to advance opportunities for coordination among the many levels and types of participants in the national system of student aid. However, should an administrative determination within HEW create any organizational impediment to needed coordination, the Committee will seriously consider mandating a single coordinated structure for the administration of all Federal student aid programs.

Extension of Title III of the National Defense Education Act of 1958

The Committee bill extends title III of the National Defense Education Act of 1958 through fiscal year 1978. This title, which provides assistance for purchase of equipment and other materials to strengthen elementary and secondary instruction, was consolidated in the Education Amendments of 1974 into title IV of the Elementary and Secondary Education Act—Libraries, Learning Resources, Textbooks, and Other Instructional Materials.

However, that consolidated title is only effective in any fiscal year in which it is forward funded at a level at least as high as the preceding fiscal year. If both those conditions are not met, consolidation does not occur, and the programs included in the consolidation may be funded separately. In extending title III through fiscal year 1978, the Committee bill makes its expiration coterminous with the expiration dates of the other programs included in the consolidation. The future of all these programs may then be considered together in subsequent legislation dealing with elementary and secondary education.

Extension and Revision of Title VI of the National Defense Education Act of 1958

The Committee bill extends title VI of the National Defense Education Act, which provides for language and area studies, through fiscal year 1982, at the current annual authorization level of $75 million. In addition, the Committee bill, at the suggestion of Georgetown University, amends the title to permit the Secretary to use title VI funds for the construction of facilities for model intercultural programs designed to integrate the educational requirements of substantive knowledge and language proficiency. The Committee expects that such construction will not be at the expense of successful on-going language development projects, but will be assisted by additional appropriations for title VI.

Extension of the International Education Act of 1966

The Committee bill extends the International Education Act of 1966 through 1982. Since the act has never been funded, the bill reduces its authorization levels to $20 million for fiscal year 1977, $30 million for fiscal year 1978, and $40 million for each of the succeeding fiscal years through 1982.

PART B—OTHER EDUCATION PROGRAMS

Extension and Revision of the Emergency School Aid Act

The Emergency School Aid Act was adopted in 1972 to authorize federal assistance to school districts engaged in "the process of eliminating or preventing minority group isolation and improving the quality of education for all children . . ." Communities, whether engaged in implementing voluntary or court-ordered plans to achieve that goal frequently find themselves with severe financial burdens. The Federal law was designed to permit those additional special educational needs to be met with Federal assistance in order to facilitate the process and improve the quality of education. The continuing process for desegregation remains one of an emergency nature with local resources inadequate in the first years of transition, particularly under court order situations.

For that reason the Committee has extended the program through FY 1979 with an authorization of $1 billion.

In addition, to permit the Commissioner to respond to specific areas with unusually great needs, particularly large city and metropolitan area districts, a separate authorization of $100 million for each of the next seven years has been made available to permit the carrying out of his discretionary responsibilities for special projects under Section 708(a). In the upcoming years, the Department has reported that such major areas as Dayton, Dallas, Lansing, Milwaukee, Wilmington, New Castle, Omaha, Denver, Cincinnati, San Francisco, St. Louis, Cleveland, Boston, Topeka, Louisville, Buffalo, and Detroit are facing major costs related to desegregation. Because of the limitations of the formula under which the Emergency School Aid funds are largely allocated, the discretionary authority to focus additional assistance to these areas is necessary.

Extension of the Allen J. Ellender Fellowship Program

The Committee bill extends the Allen J. Ellender Fellowship Program through fiscal year 1982. This program supports the widely popular Close-Up program, which brings high school students to Washington to give them a first-hand understanding of how their government works. The Committee has ample evidence that the program's participants believe their experience to be integral in increasing their interest in the governmental process.

Although the program was already extended in this Congress, in Public Law 94–277, the Committee bill further extends it through 1982, so that its future consideration may be in conjunction with other education programs.

Maintenance of Effort

The Committee bill modifies the maintenance of effort requirements of title IV of the Elementary and Secondary Education Act (Libraries, Learning Resources, Educational Innovation, and Support) and of the Adult Education Act. The objective is twofold:

(1) to permit educational agencies to make adjustments in their contributions with respect to Federal maintenance of effort provisions, in order to reflect decreasing enrollments and diminished fiscal resources, while

(2) retaining the intent of Congress that Federal education program funds should supplement and not supplant local and State efforts.

The Committee is well aware that maintenance of effort provisions have served to keep State and local contributions at no less than the same levels that were expended prior to the receipt of Federal program funds, despite pressures to direct funds from education to other State and local government functions. The Committee does not wish to nullify this historic Federal intent; it does believe, however, that some flexibility is essential.

The Committee amendment makes several changes in the administration of maintenance of effort requirements. These will be administered under regulations promulgated by the Commissioner. The basic effects of these changes are:

(1) Maintenance of effort requirements for any year would determine by calculating the relationship of non-federal spending in the preceding fiscal year to that in the second preceding fiscal year;

(2) Maintenance of effort would be calculated on a per pupil basis, rather than on an aggregate basis;

(3) Variation in effort of up to five percent would not be considered to be out of compliance; and

(4) Notification of the Commissioner by an educational agency choosing to utilize the provisions contained in this amendment would be required. This is to assure that timely recognition of such

a decision is made by both the Commissioner and the educational agency, and that such educational agency and the Commissioner, on request of an interested party, would inform that requesting party when these provisions are being utilized.

Moreover, if an educational agency were found out of compliance with the above provisions, the Federal funds would be reduced by the amount corresponding to the reduction in maintenance of effort. Beyond that, the Commissioner could waive the maintenance of effort requirement in whole, or in part, in exceptional circumstances. If a waiver were granted under this exceptional circumstances provision, there would be no accompanying reduction in Federal funds. The Committee also intends that any regulations promulgated to carry out the waiver authority contained in the amendment provide that waiver requests be made public by the grantee requesting the waiver, in order to give citizen and education groups notice. The Committee further intends that all local educational agency waiver requests include State comments, and that all grants of waiver be published by the Commissioner in the Federal Register or any other means he deems necessary. Regulations regarding this waiver shall include criteria by which decreasing enrollment and diminished fiscal resources are measured.

The bill makes no statutory changes in the maintenance of effort provisions under title I of the Elementary and Secondary Education Act, because existing title I regulations achieve the same objective as the Committee amendment insofar as they are based on per-pupil cost and allow a five percent variation from year to year. The Committee wishes to make clear that, in not amending title I, it does not intend that existing regulations be changed. Rather, it believes that title I maintenance of effort regulations have proven to be effective, and emphasizes that they shall continue in effect.

Participation of Nonpublic School Children

The Committee bill amends title IV of the Elementary and Secondary Education Act to make it clear that, in a situation where a local educational substantially fails to provide for equitable participation of children in nonpublic schools, and the Commissioner makes alternate arrangements for their participation, he may then waive the requirement for such involvement in the local educational agency's program.

School Attendance Areas for Aid to Elementary and Secondary Schools

The Committee bill amends title I of the Elementary and Secondary Education Act to authorize support of compensatory education programs for children who previously attended schools in areas of high concentrations of children from low-income families but who, because of a desegregation order, have been transferred to schools outside such area. Often one deterrent to a successful desegregation program is parents' fears that their children will not be receiving special services in the school to which they are to be transferred, services which had been available in their former school and which they continue to need. The Committee amendment would allow the provision of such services, in the discretion of the local educational agency.

The Committee wishes to stress that it does not, by this amendment, encourage disproportional transfer of title I funds away from poorer schools. Indeed, the authority contained in the Committee bill should be used with discretion by local educational authorities. By its terms, it is limited to situations where children are being transferred between schools as the result of a desegregation order. In addition, it should be used by the local school district only in those instances where a sufficiently large number of educationally disadvantaged children is being transferred to a new school and where no comparable services are available to meet their needs at the receiving school.

Women's Educational Equity

The Committee bill makes technical amendments to the Women's Educational Equity Act of 1974. It clarifies that the Presidentially-appointed advisory council is a national advisory council, and that it has the authority to make reports to the President and Congress and disseminate information concerning its activities.

Wayne Morse Chair of Law and Politics

This Committee cannot possibly pay adequate tribute to the magnificent achievements of the late Senator Wayne Morse. He served as chairman of the Subcommittee on Education from 1961 through 1968 and it was during those eight years that the foundation of our Federal education programs was laid firmly in place. The Higher Education Facilities Act of 1963, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the Vocational Education Act of 1963, the Education Professions Development Act of 1967, the Education of the Handicapped Act of 1966—all of these vital programs bear the imprint of one of America's greatest educators, Wayne Morse.

But Senator Morse was not limited in his interests and achievements to education alone. He was a fiercely independent individual who, as a careful student and teacher of the law, was one of America's great champions of civil liberties. He was a constant supporter of the American worker and always demonstrated his concern in the development of legislation to improve labor standards in the United States. And he always lent his considerable weight to the efforts of this Committee to improve health care, increase veterans benefits, and reduce poverty throughout the nation.

It is only fitting that a living memorial be established to honor the innumerable accomplishments of Wayne Morse. And it is most appropriate that the University of Oregon—where he spent 14 years as dean of its School of Law—is creating the Wayne Morse Chair of Law and Politics. This professorship will be awarded to a succession of public figures and scholars who have made contributions to the rule of law, representative government and world peace—three of Senator Morse's major concerns. And it will offer students the opportunity to examine classroom theory in light of the practical experiences of these visiting professors.

The sum needed to establish this chair will be in excess of $500,000 and it is the Committee's view that the Federal government should assist in providing funds for the establishment of the Wayne Morse Chair. The contributions of Senator Morse to the lives of millions of

Americans deserve no less. Thus, the Committee has authorized the Commissioner to provide financial assistance to assist in the establishment of the Wayne Morse Chair of Law and Politics at the University of Oregon. The Federal share of this project shall not exceed two-thirds of its expected cost and the additional funds shall be matched by private contributions. A maximum of $500,000 of Federal funds is authorized for this purpose.

The Committee believes that the Wayne Morse Chair will serve to instill in others the beliefs of Senator Morse that it is the power of education which has served to strengthen American democracy and make it continue to respond to the challenges of the future.

TITLE IV—EDUCATION ADMINISTRATION

Reorganization of the Education Division

The Committee bill reorganizes the Education Division, which is composed of the Office of Education and the National Institute of Education, plus the National Center for Education Statistics and the Fund for Improvement of Postsecondary Education. It eliminates the existing post of Assistant Secretary and upgrades the position of education within the Department of Health, Education, and Welfare by making the head of the Division a level III, the equivalent of an undersecretary. The title of the Division's head is Commissioner, the traditional title of the principal education official in the Federal government.

For more than 100 years, the Office of Education was the primary Federal agency dealing with collection of education statistics and administration of educational assistance programs. Until the mid-sixties, its role was limited. The Office dispensed little money, primarily funds under the Morrill Acts, Smith-Hughes and subsequent vocational education acts, impact aid payments, and funds under the National Defense Education Act. With the enactment of Great Society programs—the Elementary and Secondary Education Act and the Higher Education Act—the Office expanded rapidly, both in personnel and in dollars for which it was responsible.

In 1972, the Nixon Administration proposed a complete revision in the way Federal aid for education was organized and administered. Research was proposed to be vested in a new agency, the National Institute of Education, which would be wholely separate from the Office of Education. A National Foundation for Higher Education, modeled on the National Science Foundation, was proposed as an independent agency, outside of the Department of Health, Education, and Welfare, to support innovation in higher education. Categorical programs of aid to elementary and secondary education administered by the Office of Education would be "revenue-shared" with the States.

The Congress adopted the idea of the National Institute of Education as an agency within the Department of Health, Education, and Welfare, but separate from the Office of Education. To assure coordination between education activities of the Department, but to make it clear that the NIE was not a subsidiary agency of the Office of Education, the 1972 Amendments created the Education Division. This Division was headed by an Assistant Secretary for Education, the principal officer assigned responsibility for its "direction and supervision."

The Congress rejected the concept of an independent Foundation for Higher Education. Instead, it created a Fund for Improvement of Postsecondary Education, vested in the Secretary. The Secretary has delegated responsibility for the Fund to the Assistant Secretary.

Finally, the 1972 Amendments vested responsibility for the Emergency School Aid Act in the Assistant Secretary. This authority has been delegated to the Commissioner of Education.

In 1974, the Senate bill proposed the creation of a National Center for Education Statistics as a third agency of the Education Division. The Center was retained by the Conference Committee, not as a separate agency but rather "within the Office of the Assistant Secretary."

As the Education Division has developed, it has become apparent to the Committee that the position of Assistant Secretary that the Congress created is incomplete. The position is that of principal spokesman for education. But the Assistant Secretary has no direct authority over decisionmaking with regard to most of the programs in the Division. Almost all legislation vests statutory authority in the Commissioner of Education, and he is ultimately responsible for administration of programs of the Office of Education. Similarly, responsibility for the National Institute of Education is vested in its Director, subject to the general policies established by the National Council on Educational Research. Therefore, although the Assistant Secretary may "direct and supervise" the programs of the Education Division, he may not control their administration by overruling the Commissioner or Director.

The Committee bill abolishes the position of Assistant Secretary and makes the Commissioner of Education the principal officer of the Department with responsibility for education programs. In this official will be vested the final authority for all legislation currently vested in the existing Commissioner. In addition, the Committee bill transfers other authorities currently vested in the Assistant Secretary to the newly created Commissioner. The Director of the National Institute of Education, along with the Council, will remain responsible for the Institute. Day-to-day administration of Office of Education programs will be the responsibility of a new Administrative Deputy Commissioner, appointed by the President, who shall be subject to Senate confirmation.

The Committee bill proposes to upgrade the status of education within the Department of Health, Education, and Welfare by upgrading the levels of its senior administrators. The new Commissioner would be compensated at a level III, the same level as the Undersecretary of HEW. The Director of the National Institute of Education and the Administrative Deputy Commissioner would be level IV appointments, the same level as the existing Assistant Secretary.

In making these changes, the Committee bill intends to make the Education Division the primary agency within the Department in developing and carrying out policy with respect to education, and the Commissioner the Secretary's principal advisor concerning education matters. The Committee is concerned that a wide range of individuals within the Department, outside the Education Division, have policymaking roles with regard to education. All too often the position of Assistant Secretary for Education has been "just another Assistant Secretary" when the Secretary has sought advice, rather than his principal source of expertise. The Committee bill seeks to change this. The

Committee urges the Secretary to vest all authority concerning education in the Education Division, and to treat the Commissioner as his principal advisor concerning educational policy.

The Committee bill selected the term "Commissioner" for the principal officer of the Education Division since this is the title which has historically been given the chief Federal officer in education. In addition, statutes vesting responsibility in the Commissioner would all have had to be rewritten if any other title had been used, to make sure that final authority was lodged in the Division's head. As previously noted, there is no intent to downgrade the status of the Division or its chief; on the contrary, the Committee bill upgrades them.

In order to allow sufficient time to implement the reorganization called for by the Committee bill, the effective date of such reorganization is January 1, 1977.

Fund for Improvement of Postsecondary Education

The Committee bill extends the authorization for the Fund for Improvement of Postsecondary Education through fiscal year 1982, at the existing authorization level of $75 million per year. The Fund, which was created by the Education Amendments of 1972, was designed to improve the effectiveness of postsecondary education by encouraging the reform and improvement of policies and practices in the field. Grants and contracts are awarded to postsecondary education institutions and agencies to support projects which demonstrate new and exemplary approaches to postsecondary education or add to the understanding of successful approaches. Priorities for 1977 for the Fund include more informed and deliberate choices by potential students, reaching and holding populations who have been excluding from postsecondary educational opportunities, more potent and cost-effective forms of teaching and learning, and better use of educational resources.

National Institute of Education

The Committee bill continues the authority for the existence of the National Institute of Education through 1982, with an authorization of $500 million for the three-year period between fiscal years 1977 and 1979, with a "such sums" authorization for each of the succeeding fiscal years.

The Committee bill adopts the proposals of the Administration concerning extension of the National Institute of Education, with certain modifications. The bill rewrites the Institute's mandate, making its priorities more specific. These priorities, which reflect the policies established by the National Council on Educational Research include:

Improvement in student achievement in the basic educational skills, including reading and mathematics;

Overcoming problems of finance, productivity, and management in educational institutions;

Improving the ability of schools to meet their responsibilities to provide equal educational opportunities for students of limited English-speaking ability, women, and students who are socially, economically, or educationally disadvantaged;

Preparation of youth and adults for entering and progressing in careers; and

Improved dissemination of the results of, and knowledge gained from, educational research and development, including assistance to educational agencies and institutions in the application of such results and knowledge.

The Committee hopes that such specific priorities will aid the Institute, not only in determining what research it intends to undertake, but also in translating its efforts to the educational community and the general public. For this reason, an effective dissemination effort is of prime importance, so that the results of research may be felt in the classroom.

The Committee bill clarifies the terms of members of the National Council and provides that a member whose term has expired shall continue to serve until a successor has been nominated by the President and confirmed by the Senate. The Director's grade level is amended to reflect his promotion to an Executive Level IV. And the Director is given authority to establish research fellowships, including stipends and allowances, so that he may obtain highly research fellows from the United States and abroad.

The Committee bill directs the Director of the National Institute of Education to award, through grants and contracts, 25 percent of the total appropriation for the Institute to regional educational laboratories and research and development centers.

The amendment ensures a stabilized funding base for labs and centers. Although the earmark established by the Committee amendment is less than is now being spent for labs and centers, the Committee wishes to stress that it is not its intent to decrease funding. The intent is quite the contrary—to build upon a stable base of funding.

These institutions, originally funded by the Office of Education, were transferred to NIE to give the new agency a solid foundation on which to build. However, NIE never fully capitalized on their experience.

The Committee believes that specialized institutions such as these are as necessary today as they were when Congress originally authorized their establishment over 14 years ago.

Currently, eight of the original 20 regional educational laboratories remain. The Committee believes that, subject to the advice of the newly established Panel for Review of Laboratory and Center Operations and the National Council on Educational Research, many of these existing institutions should be strengthened to conduct programmatic research and development addressing national problem areas in education. The Committee wishes to stress its continued belief in the original intent that these institutions be geographically spread and responsive to the educational needs of their region, to ensure practitioner involvement in the entire research and development process. The Committee also intends that, when funds permit, the Institute create a limited number of additional educational laboratories to serve all regions of the country better. In the meantime, the Institute should assist the existing laboratories in expanding their services and involvement into areas not now served effectively.

Nine of the original 12 university-based research and development centers remain. As originally conceived, these centers were each to concentrate resources and talent within some vital area of education.

The Committee believes that many of the original guidelines for these institutions remain valid today. The Centers should conduct basic and applied research; conduct development activities designed to translate research findings into educational materials or procedures; field test the developed products; demonstrate and disseminate information about the new programs that emerge from the research and development effort; and provide national leadership in the designated area. The Committee recognizes that many of the research and development centers have developed sizeable technical assistance capabilities in response to practitioner demands. The Institute should assist these centers in their willingness to provide this service to local and State educational agencies, and to the postsecondary education community.

Over the years, the Office of Education and the National Institute of Education have sought to support educational R & D through small-scale research projects and short-term policy studies. The laboratories and centers were created as an alternative to this approach. The Committee believes that many of these institutions have been successful in long-range efforts, and that their achievements hold considerable promise for even more advancements in the future.

The original laboratory and center design contained a National Advisory Committee for the Regional Educational Laboratories and R & D Centers. The amendment reestablishes such a body by setting up a Panel for Review of Laboratory and Center Operations. The Panel will advise the Institute on policies and procedures governing the operation of the laboratories and centers; review and make recommendations on all proposals submitted by laboratories and centers; and prepare an annual report to be submitted to the Director of the Institute and Congress. If, at any time, the Director should reject the panel recommendations regarding funding of proposals submitted under this section, the Director shall report to the Panel in writing his reasons for such rejection. The Committee further believes that this Panel will serve as a forum for education groups interested in discussing educational research and development priorities, and that it will provide a national coordinating role outside of government.

Regulations

The Committee bill further clarifies that section 431 of the General Education Provisions Act, relating to Congressional disapproval of regulations which are not in accordance with their authorizing statute, applies only to final regulations. The term "regulation" is defined to include rules, regulations, guidelines, interpretations, orders, and requirements of general applicability, to assure conformity throughout the terms of the section. In addition, the change made by the Committee bill is intended to ensure that the Commissioner cannot avoid the effect of the section by calling something that would ordinarily be considered of a regulatory nature a name other than "regulation" and therefore attempt to shield it from Congressional consideration. The section is intended to apply to any requirement of general applicability, including a reinterpretation of existing law, promulgated by the Commissioner.

Technical Revision Relating to Prohibition Against Federal Control

The Committee bill amends section 432 of the General Education Provisions Act to eliminate the laundry list of programs which shall be free of Federal control. It substitutes the term "applicable program," which applies to all programs in the Education Division. This change is intended to ensure that all programs remain free of Federal control, avoiding the risk that a new program might, through inadvertance, not be added to the list when enacted, thereby making its status questionable.

TITLE V—CAREER DEVELOPMENT AND GUIDANCE AND COUNSELING PROGRAMS

PART A—CAREER EDUCATION AND CAREER DEVELOPMENT

Part A of Title V creates a new and expanded program for the implementation of Career Education programs in elementary, secondary and postsecondary institutions, effective in the Fiscal Year 1978.

The general purpose of this new Title is to lay the groundwork for in-service implementation of many of the ideas and programs that have been developed by the Office of Education pursuant to section 406 of the Special Projects Act, by the National Institute of Education, and by other federally-funded and non-federally-funded educators and researchers. It is also the purpose of this Title to provide for a broader frame for gathering and disseminating work in information about careers and career education.

The provisions of this Title are all grounded in suggestions made by various persons and organizations concerned about or associated with the implementation of Career Education. Those suggestions have been tempered by what the committee believes to be the extent of federal resources that can realistically be expected to be available to this area in the immediate future.

A brief analysis of each section of Part A of Title V is as follows:

Findings

This section is a statement of Congressional findings regarding the need for an expanded federal career education effort. In it, the Congress finds and declares that preparation for careers should be a major purpose of education at every level and in every type of educational institution, and that it is in the federal interest for every person to be exposed to the widest varieties of career options in the course of that person's education.

Purpose

This section describes the more specific intentions of the Committee regarding the types of programs to be carried out under this Part. Those programs include the development of information regarding career education and career development needs; the encouragement of State and local agencies and institutions to develop their own needs and approaches; an assessment of the status of all existing programs and practices, including those related to stereotyping by race or sex; provision for demonstration and replication of the best career education and career development programs and practices; training and retaining of career education which would include specialists, teachers, counselors, and administrators; and the development of state and local plans for career education and career development.

Authorization of Appropriations; Allotment

This section authorizes appropriations of $25,000,000 for the fiscal year 1978, $35,000,000 for 1979, $45,000,000 for 1980, $55,000,000 for 1981, and $75,000,000 for 1982. The section also permits the Commissioner to reserve 10% of the funds, up to $2,000,000 for the administration of the title, 75% of which is to be set aside for performance of the information and clearinghouse functions under Section 506. The balance is to be distributed among the states according to population, with a sliding scale requirement for non-federal contribution that provides for an increased non-federal share as the federal appropriation increases.

Program Administration

This section provides that this part can be carried out through the Office of Career Education.

Use of Funds

This section requires states desiring to receive career education funds to submit an annual program plan, which shall include a designation of a state agency to administer the plan; proposals for extending career education and career development programs to all persons in need of them; proposals for involving employers and the community in the education process; proposals for implementation of new career education concepts and replication of successful ones; training programs for career educators, counselors and administrators; assurances of involvement of community groups and agencies; and assurances that non-federal funds will be available.

Career Information

This section authorizes the Commissioner directly or by grant or contract, to provide information gathering and dispersing services with regard to career information and career education. Included is the obligation to provide for an ongoing analysis of career trends and options in America for use by career education specialists, using a wide variety of public and private sources; the publication of periodic reports and reference works using that analysis; and the conduct of seminars workshops and career information sessions of counselors, educator, administrators and others. The Committee intends that the functions outlined in this section be more comprehensive than those normally performed by a clearinghouse, but it is anticipated that the Commissioner shall make use of, rather than duplicate the functions of, already existing offices, centers, clearinghouses and other research capabilities in carrying out these functions.

National Advisory Council

This section specifically authorizes the National Advisory Council for Career Education to advise the Commissioner on the implementation of this Part.

The Committee is proposing this expansion of career education and career development programs for students of all ages because of its increasing alarm the apparent lack of success of our educational institutions in training people to function in the world outside those institutions. Included within that category are many individuals with bachelor of arts degrees and more, who despite their education often find themselves unemployable and ill-suited to the real needs of the American job market.

Career education programs have demonstrated that they are capable of reducing this gap between education and work. Although they have done so to date on a relatively modest scale, the Committee believes that the relatively slow growth of career education in America will benefit both the educator and the educated in the future, and the Committee hopes to encourage the growth and expansion of this program at the grass roots level, in the local communities, rather than at the federal level, with the federal bureaucracy taking the lead. Only in that way will an extremely important problem—how more effectively to relate education to the workplace—be solved without recourse to easy catchwords and rhetorical rather than concrete solutions.

Partially because of this emphasis on local, grassroots experimentation with career-oriented education and development, the Committee acknowledges that there has occasionally been disagreement among educators regarding an adequate definition of the term "career education." The Committee believes that most of the definitions that have been put forth are substantially correct—and that some of the criticisms of those definitions also contain elements of truth. This is so, however, not because the concept itself lacks validity, but rather because the problem itself is one which transcends easy definition. The Committee therefore urges that the problem itself—the lack of adequate career orientation in many traditional educational programs and institutions, and the need for more such orientation both now and in the future—be our primary consideration.

Nevertheless, the Committee believes that several of the definitions and statements put forth recently in this area are worth consideration in the light of its legislative proposals.

For example, the Council of Chief State School Officers has approved the following tentative definition of career education:

> Career Education is essentially an instructional strategy, aimed at improving educational outcomes by relating teaching and learning activities to the concept of career development. Career Education extends the academic world to the world of work. In scope, Career Education encompasses educational experiences beginning with early childhood and continuing throughout the individual's productive life. A complete program of Career Education includes awareness of self and the world of work, broad orientation to occupations (professional and non-professional), in-depth exploration of selected clusters, career preparation, an understanding of the economic system of which jobs are a part, and placement for all students.

The American Personnel and Guidance Association, while defining career education more from a guidance and counseling point of view, also made some cogent points about the needs in this area, in a report to the National Institute of Education synthesizing certain studies regarding career information needs:

> The first overall and pervasive finding of the study is that there is a critical need for the improvement of career guidance for the nation's youth and adults; therefore, significant funds should be spent to attempt to begin to alleviate this need. All surveys report amazingly similar data. The American College Testing Program Assessment indicates that 78 percent of students in grade eleven report a need for additional assistance. The Purdue Opinion poll of 1972 reports that 76 percent of the secondary-level youth sampled want additional counseling and guidance help. Seventy-five percent of the students sampled in the writer's study indicated that they needed some or a lot more help with career decision making. Finally, 75 percent of the total sample of professionals polled by the writer said that there is a critical need for improved guidance of the nation's in-school youth while 77 percent stated that there is a critical need for improved career guidance of the nation's out-of-school youth and adults. Based upon this collection of data, the critical need for improved guidance services in relation to career decision making appears to be adequately documented.
>
> The question now becomes one of deciding how to spend the limited amount of money available in ways which will have the greatest amount of impact upon a crisis situation. Based upon the previous analysis of NIE-funded projects and the current needs assessment, the writer recommends the following specific areas for funding priority:
>
> 1. Greatly improved counselor and teacher training.—This top-priority item was mandated both by the student needs assessment and the professional groups assessment. Both students and professionals are assigning first order of responsibility to counselors while simultaneously saying that they desperately need more, different, and better training. Such training should include:
>   - a. Revision and revamping of existing teacher and counselor education programs to include study of career development theory, study of systematic models for delivery of career guidance, knowledge of a broad range of materials and techniques for use in implementing systematic career guidance, development of specific competencies needed for delivery of career guidance, development of specific program objectives, and methods of evaluation of program and delivery of program.
>   - b. Mas impact counselor and teacher inservice and preservice training programs. focused on the areas listed above.
> 2. *Development of models, techniques, and materials for use with two-year and four-year college populations and with adults of all ages, including development of the community career center concept.*—Alternate models need to be developed for delivery through college counseling services, through college curriculum,

and through community agencies and centers. Analysis of NIE-funded projects revealed a dearth of effort at these age ranges. Survey of professional populations indicated a highly critical need for assistance to these populations; further, these professional groups assigned primary responsibility for adult populations to community agencies or centers where assistance is needed through one-to-one counseling, group approaches, and use of media, such as television and computer-based systems. Professionals stated that "ways to assist individuals to recycle or change from one occupational placement to another" is the top-priority need.

3. Develop alternate models of information delivery and evaluate them interms of cost and effectiveness.—High school students in the survey indicated that highest areas of unmet need were: 1) efficient ways to get information, 2) recent and accurate information about occupations, and 3) good information about ways of training. Such information could be presented by means of several delivery systems: one-to-one interviewing, group guidance, curriculum, computer-based information systems, or systematic paper systems. Students included in this study have indicated a strong preference for personal contact. In other studies involving computer-based information systems, students have expressed a very high degree of acceptance of this delivery system and have viewed it as having a high degree of personalization. There is a critical need to study the relative cost and effectiveness of each of the above mentioned systems of delivery and to provide alternate systematic models with different known levels of effectiveness and cost.

4. Develop methods, materials, and models for providing young people with ways to try out tentative occupational choices in a low-risk way.—Possible methods are through work-study programs, systematically planned field trips and community involvement activities, and work simulations. Students in the survey indicated that such experiences were of next order of need after information. Professionals placed "ways to provide individuals with an opportunity to test or try out tentative occupational choices" as second-priority need from a list of sixteen content areas.

5. Continue to develop practical materials for use at secondary level and add development at the elementary and adult levels.—Although many materials now exist both through governmental funding efforts and private commercial efforts, the subjects in this study indicated that products and techniques are inadequate in fourteen out of sixteen content areas. Further, there is a real need to provide counselors and teachers with meaningful resources guides to existing materials and more importantly, with a planned systematic program which puts them together into a meaningful whole and teaches counselors and teachers how to use the materials. The funding of large-scale demonstration centers to demonstrate such a systematic program and to train others in its use could provide real impact. Many professionals support the notion of putting significant funds into the installation of a sys-

tematic program or innovation in a large scale area for the purpose of studying its effects and planning for transporting it to other areas. The real need here seems to be one of integrating existing material, models, and knowledge into action programs. Closely allied with the implementation of these action programs must be the inservice training of teachers and counselors; the study of roles and functions of teachers, counselors, and media in the delivery of the program; and the cost effectiveness of the program as measured by definable objective criteria.

6. Develop career guidance materials and models for special target populations, i.e., women and girls, minority groups, handicapped, and disadvantaged.

7. Develop materials and programs for parent education. Since parents are the number one source of influence on career choice, greater impact may be made on career guidance through parent education than through the development of systematic school programs.

8. Continue research activities in some dearth areas, such as early childhood career development, adult career development, career decision making, and longitudinal studies of the effectiveness of career education/guidance programs. As a whole, the professional sample placed research activity in lowest priority, allocating 23% of funds to it as compared to 42% for development and 35% for other activities.

In a statement presenting the Administration's views some of which were critical of current efforts, on career education, Assistant Secretary for Education Virginia Y. Trotter made the following constructive attempt to define the issue:

The IDEA of career education has now evolved into a CONCEPT capable of being tested. The concept, while still evolving, has found a high degree of consensus across the land. This is evidenced in the consensus tables included in OE's official policy statement on career education. Key elements in the concept of career education include the following:

a. The key word in the concept of career education is "work"—defined as including unpaid work as well as the world of paid employment. Thus, it includes, in addition to the world of paid employment, the work of the volunteer, the student, the full-time homemaker, and work in which individuals engage as part of their productive use of leisure time.

b. The GOAL of career education is to make education, as *preparation for work,* a prominent and permanent aim of all who teach and of all who learn at all levels of American Education and in all educational settings.

c. The OBJECTIVES of career education are to: (1) help all individuals understand and capitalize on the increasingly close relationships between education and work that exist and are coming to American society; and (2) make work become a meaningful part of the total lifestyle of all American citizens.

d. The SOCIETAL OUTCOMES of career education are related to increases in productivity that should come about when individuals (1) want to work; (2) acquire the skills necessary to work in these times; and (c) engage in work that is satisfying to the individual and beneficial to society.

e. The **INDIVIDUALISTIC OUTCOMES** of career education are to make work possible, meaningful, and satisfying for each individual. To attain these outcomes, career education seeks to assure that each person, at whatever point she or he leaves the educational system, is equipped with (1) adaptability skills required for the world of work; and (2) job specific skills that will enable the individual to make a successful transition from school to work.

f. The **IMPLEMENTATION** of career education requires the collaborative efforts of the formal educational system, the home and family structure, and the business-labor-industry-professional-government community. It is not something the schools can do by themselves.

Finally, the National Advisory Council on Career Education submitted the following thorough rationale for its recommendations, a number which have been incorporated into the new Title:

A STATEMENT OF RATIONALE

Over the last few years American educators have faced increasing demands to make education relevant to the world of work. Career education can meet that challenge. *Students need career education:* millions leave high school and college each year with no salable skills. *The public supports it:* a recent Gallup poll found 90% of those questioned in favor of education giving more emphasis to the study of trades, professions, and businesses in order to help students make informed career choices. *Federal legislation has encouraged greater attention to this need.* Section 406, Public Law 93–380 has proven to be a valuable stimulus as Congress apparently intended. *States are reacting with enthusiasm:* fourteen state legislatures have enacted career education legislation thus far. *Career education is working:* while the concept is new, available data as well as student and teacher response demonstrate that attitudes toward work are more positive and students are learning more in career education programs, not only in occupationally related curricula, but in academic subjects.

To date, however, these efforts have been modest. Experiments, demonstration projects, and exemplary programs reach only a tiny fraction of American students. It is the judgment of the National Advisory Council for Career Education (NACCE) that the time is ripe for greater federal leadership and financial support of career education. To that end the NACCE is proposing that legislation be enacted which will begin to integrate career education into the total educational structure.

Conditions Calling For Educational Reform

The criticisms currently leveled against American education for failing to prepare students for the world of work are identified in the Office of Education policy statement on career education:

1. Too many persons leaving our educational system are deficient in the basic academic skills required for adaptability in today's rapidly changing society.

2. Too many students fail to see meaningful relationships between what they are being asked to learn in school and what they will do when they leave the educational system. This is true of both those

who remain to graduate and those who drop out of the educational system.

3. American education, as currently structured, best meets the educational needs of that minority of persons who will someday become college graduates. It fails to place equal emphasis on meeting the educational needs of that vast majority of students who will never be college graduates.

4. American education has not kept pace with the rapidity of change in the postindustrial occupational society. As a result, when worker qualifications are compared with job requirements, we find overeducated and undereducated workers present in large numbers. Both the boredom of the overeducated worker and the frustration of the undereducated worker have contributed to growing worker alienation in the total occupational society.

5. Too many persons leave our educational system at both the secondary and collegiate levels unequipped with the vocational skills, the self-understanding and career decisionmaking skills, or the work attitudes that are essential for making a successful transition from school to work.

6. The growing need for and presence of women in the work force has not been reflected adequately in either the educational or the career options typically pictured for girls enrolled in our educational systems.

7. The growing needs for continuing and recurrent education of adults are not being met adequately by our current systems of public education.

8. Insufficient attention has been given to learning opportunities which exist outside the structure of formal education and are increasingly needed by both young and adults in our society.

9. The general public, including parents and the business-industry-labor community, has not been given an adequate role in formulation of educational policy.

10. American education, as currently structured, does not adequately meet the needs of minority or economically disadvantaged persons in our society.

11. Post high school education has given insufficient emphasis to occupational educational programs in harmony with academic programs.

Each of these criticisms centers on the relationship between education and future employment opportunities of individuals. Programs designed to meet these criticisms must find a common ground between the worlds of education and work. One approach that has gained acceptance in recent years is career education. Although the term is of recent vintage, career education has had a considerable impact on American education.

What is career education?

The NACCE has endorsed the definition of career education found in the Office of Education Policy Statement on Career Education which defined the term as follows:

> "career education is the totality of experiences through which one learns about and prepares to engage in work as part of her or his way of living."

In 1974 the U.S. Congress used a similarly broad approach in defining the term career education. The language of the 1974 Amendments, unlike the language of the 1972 Amendments, confined its definitional passages primarily to elementary and secondary education. Career education was defined as an education process designed:

To increase the relationship between schools and society as a whole

To relate the curricula of schools to the needs of persons to function in society

To provide opportunities for counseling, guidance and career development for all children

To extend the concept of the education process beyond the school into the area of employment and the community

To foster flexibility in attitudes, skills, and knowledge in order to enable persons to cope with accelerating change and obsolescence

To eliminate any distinction between education for vocational purposes and general or academic education

While some degree of specificity is required for legislative purposes, it is clear that career education involves and engages the participation of much more than the traditional formal education systems. The primary goals of career education (breaking down the distinctions between academic and vocational learning and bringing the worlds of education and work closer together) are broad. Any definition of the concept must similarly be both broad and encompassing.

Public Attitudes and Career Education

Gallup Polls and National Institute of Education (NIE) surveys have repeatedly demonstrated that Americans value education primarily as preparation for work, better jobs and economic success. A 1972 Gallup Poll, for example, concluded that Americans are practical people "who firmly believe that education is the royal road to success in life." When asked why they wanted their children to get an education, 44 percent replied "to get better jobs;" 38 percent answered "to make more money, achieve financial success." A 1973 Gallup Poll asked "Should Public Schools give more emphasis to a study of trades, professions, and businesses to help students decide on their careers?" The responses were:

	Percent
Yes, more emphasis	90
No	7
No opinion	3

A 1973 study for the NIE found "a strong and consistent preference for job skills above all other outcomes" of a high school education. Virtually all subgroups of the population agreed on the primary importance of job skills. What makes this evidence even more compelling is that these polls were taken before the decline in the economy became most apparent. A recent Department of Labor study indicated that of 55,000 students graduating with Bachelor's degrees in psychology next spring, only 4,500 will find jobs related to their field. The uncertainty of the economy and the worsened employment picture suggest that such factors will increase public support for career education.

Existing Career Education Legislation

Since 1971 the Office of Education has used existing legislative authorizations to fund career education programs and projects. The major pieces of legislation include titles under:

1. The Vocational Education Act of 1963, as amended.
2. The Education Professions Development Act.
3. The Higher Education Act of 1965.
4. Education of the Handicapped Act of 1970.
5. The Elementary and Secondary Education Act of 1965.
6. Title III of the Education Amendments of 1972 which created the National Institute of Education and authorized career education programs as a responsibility of NIE.
7. The Education Amendments of 1974, Section 406 which established in the Office of Education, the Office of Career Education with the authority to *demonstrate* the concept of career education.

Comprehensive federal education legislation which has furthered the goals and objectives of career education are: Part B, Title X of the Education Amendments of 1972 (Public Law 92–318), Occupational Education Programs (unfortunately never funded); and the Special Projects Act of the Education Amendments of 1974 (Public Law 93–380), cited in No. 7 above, with authorized funding at up to $15 million.

There is considerable programmatic and definitional overlap among the activities generated from these legislative authorities. Much of the overlap stems from a Congressional concern that education (or training) be related to future employment opportunities. This interest was expressed in both the Education Amendments of 1972 and the Amendments of 1974, and can be seen in Vocational Education legislation. Programs in Social Security, Health, and especially in the Manpower Administration also seek to relate education and training programs to future employment opportunities.

The National Advisory Council for Career Education through this report seeks to commence a rationalization of these overlapping and redundant laws.

The States and Career Education

Federal money and public interest in career education have generated substantial activity by State governments. Yet, much remains to be done. For example, while 55 of the 57 States and Territories have appointed career education coordinators, only 27 States use state funds to pay salaries of these coordinators. While state efforts have reached 2.5 million elementary pupils, 15.5 million elementary pupils have yet to be exposed to career education. Finally, while 44,52 secondary teachers have received inservice development in career education, this represents only 8.4% of the 525,574 employed in 1974.

The future of career education will depend largely on continued and increased support at the state level. But testimony presented to the NACCE by state officials has suggested that federal leadership and financial support for unified and systematic development of staff and community competencies will be indispensable in advancing career education.

Career Education Activities and Results

The career education field is moving so quickly that any comprehensive listing of activities will be dated before its completion. One major effort at cataloging career education programs by NIE, *Career Education Catalog*, provides information of a wide variety of programs. A second NIE document notes "many changes are being energetically discussed and tried out on a pilot scale, and education at all levels is yeasty with innovative, potentially effective ways of improving career choice, preparation and development." The Office of Education's Office of Career Education has collected and published many exciting and innovative examples of career education practices. Some examples of current practices include:

A ninth grade course in social economics, in Riverton, Wyoming, involves students in setting up a company, deciding on a product to produce, selling stock, producing and marketing the product, and using advertising and sales techniques.

In New Orleans, Louisiana the New Orleans Center for the Creative Arts is providing both career exploration and skill development opportunities for highly talented students in the visual and performing arts.

In the Lee County School System in Beattyville, Kentucky about 90% of all elementary schools are involved in awareness level career education integrating basic skill courses with career awareness activities.

The Los Angeles County Alliance for Career Education and Industry Education Councils of Los Angeles, California, represent more than 100 separate groups in business, industry, government and labor unions. The Alliance sponsors work experience, observation, and work-study activities for students, as well as a Career Expo, which provided career awareness information to 198,000 students in 1975. The Personnel Exchange Program allows teachers and counselors themselves to explore work environments, gaining their own hands-on experience of different work than teaching.

At the Winston Churchill High School in Potomac Maryland, 87% of the graduating students begin college. Accordingly, the career education program focuses on managerial and professional lines of work. Some 150 seniors spend from 10–20 hours a week in the offices of professional/technical/managerial employers in both private industry and government.

An increasing proportion of students in five central schools in Cleveland, Ohio, were dropping out, eventually to continue the welfare cycle. A job Development program for non-college bound seniors offering a job preparation course, field trips and spring interviews with employers organized by the schools has succeeded in placing 90% of the participating students between June 1966 and June 1974, many of whom have used their earnings to continue their education parttime.

At present these programs affect relatively few students and fall short of the comprehensive and systematic changes needed in American education. Nonetheless they are representative of the innovative activity currently characterizing American education.

Because the concept is so new, there are few systematic evaluation studies completed, but some evidence is available. Results from public schools in Hamlin, West Virginia; Dade County (Miami), Florida; and Santa Barbara, California, found statistically significant differences in scores on standardized achievement tests favoring students who were exposed to career education over students in "traditional" programs. Other studies suggest that attitudes expressed by participants are positive and that students seem to be learning more.

Career Education and Postsecondary Education

Although primary emphasis in this report is directed at the K–12 age group, career education also plays a vital role at the postsecondary level. Increasing numbers of colleges, universities, community and junior colleges, vocational and technical schools and non-traditional educational programs have initiated career education activities that seek to increase the positive relationship between education and work and to equip their clientele with employment skills. Prominent themes in these career education programs include 1) infusing career education in academic courses, 2) refocusing support systems such as career counseling and placement services, career information services and special programs for minorities, women and handicapped clientele and 3) establishing outreach into the community to secure the contributions of business, labor, and government.

Postsecondary schools and non-traditional educational institutions have identified, time and time again, certain needs if they are to implement career education programs. Among these are faculty development directed toward understanding career education; updating and recycling the delivery of career information (data and materials) to students; increasing the numbers of counselors in counseling centers, dormitories, career placement offices and updating their vocational testing, counseling, planning and placement skills; and preparation of individuals to initiate and develop internship and work related services.

Some current programs include:

At Abraham Baldwin Agricultural College in Tifton, Georgia, a new program, "Humanities for Technology Students" seeks to demonstrate the relevance of the humanities to the working world of technicians and middle level management personnel. A joint effort by the Social Science and Humanities Divisions, this program replaces the old general education requirements in history and English with a three-course sequence in the humanities. This new program strengthens the traditional emphasis on writing but also introduces literature and philosophy into career programs for the first time.

A wide variety of two and four years institutions offers students the opportunity to gain practical on-the-job experience with local business or industry through internships or cooperative work-study arrangements. The various opportunities are usually defined by the students' interests, talents, and needs and by the nature of the community or by its needs for workers. These programs are offered at many schools, including Olympic College, Seattle Community College, San Mateo Junior College, Ohio State University, Flint Junior College, Wittenburg University, and the nine colleges of the Los Angeles Community College District.

The Labor College, a division of New York's External degree institution—Empire State College, has opened a program for those working with labor union staffs. Labor College has three major elements: technical training through on-the-job experience, professional study pertinent to the students' career needs, and a liberal arts component to teach "perspective." The curriculum includes courses in economics, collective bargaining, personnel practices, and related courses or experiences that help further the student's career interest.

At the University of Alabama under an O.C.E. Demonstration Grant, the University is currently engaged in a comprehensive demonstration effort aimed at implementing career education in a total university setting.

The career education contributions being made by postsecondary and non-traditional educational organizations are real and their benefits to students unquestioned. However, the Council's proposal for national legislation in career education is confined, at this time, to public elementary and secondary schools. While the Council recognizes the importance of installing career education programs at every education level, it believes that career education in elementary and secondary schools has progressed to the stage where the programs suggested by the proposal should be implemented as the logical beginning.

Options for Legislations

In the course of its deliberations, the NACCE considered various options for initiating legislation for extending federal leadership of career education. Among the general alternatives, each with subordinating variations were the following:

1. To recommend a technical revision and consolidation of existing laws pertaining to the concept of career education now found in numerous departments and agencies (Manpower, Labor, Health, Agriculture, for example, as well as the Office of Education).
2. To recommend large, new comprehensive law of substantial scale for the implementation of career education at all levels, Kindergarten through the college years to adult education.
3. To delimit the recommendation at this time to incremental moves designed to facilitate the development of staff and to formulate new relationships with the community, industry, labor and business.

The Council has, as evidenced by the foregoing pages, settled upon alternatives three (3) above. This alternative sustains and enhances the role and authority of the Commissioner of Education as the resource for sharing research, encouraging staff development, increasing the awareness of the career education potential, and stimulating major new commitments by State and local authorities. In short the proposal underscores the federal role as essentially one of *leadership*, with modest incentive funds for beginning a reform of the system.

Summary

That the American public has become increasingly aware of the need for career education is shown both by the response to recent polls and interest in career education pilot projects. Our analysis of current federal law indicates that the United States is ready for extending the developmental authority of the Commissioner through federal legislation, which, we believe, would further the integration of career concepts into the mainstream of American education. To achieve this goal, the NACCE proposes the adoption of new legislation designed to assist states in implementing career education and to provide support for the inservice training of teachers, counselors, and other educational policymakers. The members of the Council believe that this federal stimulus and incentive will enable career education to fulfill its promise of reform in American education.

PART B—GUIDANCE AND COUNSELING

Findings

The Committee bill contains findings concerning the importance of guidance and counseling activities as an essential component of an educational program, the lack of coordination among guidance and counseling programs at the Federal, State, and local levels, and the need for improved and increased preparation of education professionals in the field of guidance and counseling, with special emphasis on inservice training.

Appropriations authorized

The bill authorizes an annual appropriation of $20 million for fiscal year 1978 and each succeeding fiscal year through 1982.

Administration

The Committee bill requires the Commissioner of Education to establish or designate an administrative unit in the Office of Education to administer the new program authorized by this part. Such a unit would also be responsible for providing information concerning guidance and counseling as a profession, guidance and counseling activities of the Federal government, and, to the extent possible, State and local guidance and counseling activtities. The unit would also advise the Commissioner on coordinating all programs involving guidance and counseling for which he is responsible, including possible coordination with guidance and counseling activities of other agencies, as well as State and local programs. The Commissioner may reserve up to 10 percent of the appropriation to support the activities of the unit.

Program authorized

With the money appropriated pursuant to this part, the Commissioner may make grants and enter into contracts with State and local educational agencies, institutions of higher education, and private nonprofit organizations, awarded on a competitive basis. Grants and contracts may be used to conduct institutes, work-shops, and seminars designed to improve the professional qualifications of counselors, to provide training for supervisory and technical personnel, and to improve supervisory services in the field of guidance and counseling. The Commissioner is also authorized to make grants to States to assist them in carrying out programs to coordinate new and existing programs of guidance and counseling in the States.

Cost Estimates on S. 2657 Submitted to the Committee on Labor and Public Welfare by the Congressional Budget Office

ALICE M. RIVLIN
DIRECTOR

CONGRESS OF THE UNITED STATES
CONGRESSIONAL BUDGET OFFICE
WASHINGTON, D.C.

May 12, 1976

Honorable Claiborne Pell
Chairman, Subcommittee on Education
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 2657, the Education Amendments of 1976.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely yours,

Alice M. Rivlin
Director

Attachments

May 11, 1976

CONGRESSIONAL BUDGET OFFICE
AUTHORIZATION BILL COST ESTIMATE

1. BILL NUMBER: S. 2657

2. BILL TITLE: Education Amendments of 1976

3. PURPOSE OF BILL: To extend and revise the Higher Education Act of 1965, as amended, including: raising the maximum Basic Grant award to $1,800; providing administrative allowances for institutions with Basic Grant recipients and/or Guaranteed Student Loan borrowers; raising the income limit on Guaranteed Loan subsidy eligibility to $25,000 from $15,000; and repealing all but Teacher Corps under the Education Professions Development programs. Also, to extend and revise the Vocational Education Act of 1963, as amended, including the addition of new program efforts in vocational guidance and counseling, special energy education, and assistance in overcoming sex bias in vocational education; to extend authorization for the National Institute of Education and for the Emergency School Aid Act; to initiate federal programs in career education and counseling; to reorganize the Education Division of HEW; and for other purposes. This bill does not provide new budget authority.

4. AUTHORIZATION LEVELS AND COST ESTIMATES ($ in millions)

	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
Title I						
Authorization (est.)		6681	6824	7030	7087	7220
Cost		1036	5538	6348	6671	6957
Title II						
Authorization (est.)	410	410	1159	1370	1581	1768
Cost	197	328	770	1111	1429	1629
Title III & IV*						
Authorization (est.)	115	495	890	770	805	641
Cost	0	257	648	837	804	811
TOTAL						
Authorization (est.)	525	7586	8873	9170	9473	9829
Cost	197	1621	6956	8296	8904	9397

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*Estimates of the costs of student loan incentive payments (Title III, Sec. 301 and 302) are included with the other higher education amendments in Title I under the Guaranteed Student Loan program.

5. BASIS FOR ESTIMATE:

Title I

For those titles of the Higher Education Act for which authorization levels are specified, the Congressional Budget Office has estimated the resulting outlays using spend-out rates applied to the full-authorized amount. However, several titles require an estimation of "such sums as necessary" and require brief explanation about the assumptions used.

S.2657 requires a Basic Grants program with a maximum award of $1800 (raised from the present $1400 maximum). Almost $1,900 million would be required to fully-fund this program in academic 1977-78 assuming a participation rate of 80%, which is six percent above the Office of Education's estimate for 1975-76. This increase reflects our knowledge about the continuing growth in applications. In future years if the contribution schedule remains unchanged program costs will decrease (even if participation increases slightly) as families' nominal income rises making students eligible for lesser grants or none at all. The following table shows our projections for fiscal years 1977 through 1981:

Projected Costs of Basic Grants
With An $1800 Maximum Award

fiscal year	1977	1978	1979	1980	1981
full funding cost* ($ in millions)	$2328	$2233	$2116	$1961	$1819
participation rates	80%	83%	85%	87%	89%
estimated required authority ($ in millions)	$1862	$1853	$1799	$1706	$1619

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*Source: Division of Basic Grants, U.S. Office of Education computational model with selected inflators provided by the Congressional Budget Office. Selected inflators were family and/or student income, Consumer Price Index, costs of college, enrollment and family and/or student assets.

Also, S. 2657 requires that an administrative allowance of $15 per Basic Grant recipient/year be paid to institutions. Estimates of the number of recipients each year and the cost of this allowance are shown below:

Estimated Cost of Proposed Basic Grants
Administrative Allowance

fiscal year	1977	1978	1979	1980	1981
estimated number of recipients (000s)*	1,602	1,536	1,463	1,327	1,237
adminstrative allowance @15/ recipient ($ in millions	$ 24	$ 23	$ 22	$ 20	$ 19

*Source: Division of Basic Grants, model, as above.

Projections for future year loan volumes in the Guaranteed Student Loan program were calculated using a loan flow model (operated by the program) incorporating an assumption of 7.5 percent annual growth in average awards (based on growth in student charges). The results of this model are based on time-series analyses of historical program data. The table below shows the results of these projections:

($ in millions)

fiscal year	1977	1978	1979	1980	1981
Volume, In-School and Grace Period	$4074	$4363	$5219	$5942	$6769
Volume, in Repayment	$1743	$1741	$1587	$1821	$2442
Total Volume	$5817	$6104	$6800	$7763	$9211
Subsidy Payments*	$ 286	$ 306	$ 365	$ 423	$ 474
Special Allowance Payments**	$ 102	$ 111	$ 132	$ 161	$ 202
Special Allowance Rate***	1.8%	1.8%	1.9%	2.0%	2.2%
Total Payments	$ 388	$ 417	$ 497	$ 583	$ 676

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* Subsidy payments = 7 percent of In-School or Grace Period Volume.

**Special allowance payments = Special allowance rate X Total Volume.

***Projections based on a regression of 90-day treasury bill rates with special allowance rates over 17 quarters from 1970 to 1974 and CBO projections for 90-day treasury bill rates between 1977 and 1981.

For the State Student Incentive Grant program the legislation provides for a fixed $50 million authorization plus a "such sums as necessary" authorization for continuing awards. During the past three years participating states have increased their funding of state need-based scholarships and grants at an annual rate of 15 percent. Our estimates assume that the rate of state funding growth per year will decrease to about 10% for fiscal year 1977 and beyond. Little hard evidence is available to support this assumption but it is based upon our knowledge of budget cutbacks in two states (New Jersey, Massachusetts) and the belief that many state legislatures will not provide funds at an increasingly rapid rate, especially in the larger states where program growth would significantly affect the annual average. In fact, in 1975-76 seven states (including Pennsylvania and Massachusetts) reduced their student aid funds.

The table below shows our estimates of future state funding based on the above assumptions*:

Estimate of Future State Funding For Scholarship Programs: FY 77-81

academic year	73-74	74-75	75-76	76-77	77-78	78-79	79-80	80-81	81-8
Total funding of state scholarship programs	$364	$441	$500						
(less fed. SSIG)	19	20	44						
State funding of state scholarship programs	345	421	456	524	603	694	798	917	1,0
Annual average rate of state funding growth		15%	15%	15%	15%	10%	10%	10%	10%

*These estimates will somewhat overestimate the required authorization level because no data are available which separate initial awards and continuing awards made by the states.

Following is a summary table of authorizations and costs associated with Title I of S. 2657:

($ in millions)

	FY1977	FY1978	FY1979	FY1980	FY1981
Part A Community Services and Continuing Education					
Authorizations	$ 80	$ 80	$ 80	$ 80	$ 80
Outlays[1]	64	72	80	80	80
Part B College Library Assistance, Training, Research					
Authorizations	109	109	109	109	109
Outlays[1]	11	60	98	109	109
Part C Strengthening Developing Institutions					
Authorizations	120	120	120	120	120
Outlays[2]	5	52	82	101	120
Part D Student Assistance Programs					
1) Basic Grants[3]					
Authorizations (est.)	1878	1868	1814	1719	1631
Outlays[2]	225	1802	1862	1805	1713
2) Supplemental Grants					
Authorizations (est.)	240	253	260	267	274
Outlays[2]	17	222	252	260	267
3) State Student Incentive Grants					
Authorizations (est.)	603	694	798	917	1055
Outlays[2]	60	515	690	794	913
4) Special Programs for the Disadvantaged					
Authorizations	200	200	200	200	200
Outlays[2]	18	180	200	200	200
5) Educational Outreach					
Authorizations	20	30	40	40	40
Outlays[4]	16	26	37	39	40

($ in millions)

	FY1977	FY1978	FY1979	FY1980	FY1981
6) Cost of Instruction Payments					
Authorizations[5] (est.)	$900	$ 900	$ 900	$ 900	$ 900
Outlays[2]	90	810	900	900	900
7) Veteran's Cost of Instruction Payments					
Authorizations (est.)	290	267	249	232	214
Outlays[2]	29	250	269	250	232
8) Guaranteed Student Loans					
Authorizations[6] (est.)	397	426	506	593	685
Outlays[2]	298	419	487	572	662
9) Work Study Program					
Authorizations	420	420	420	420	420
Outlays[2]	42	357	420	420	420
10) Cooperative Education					
Authorizations	17	23	28	28	28
Outlays[2]	2	15	23	27	28
11) Direct Loans					
Authorizations	400	400	400	400	400
Outlays[7]	52	400	400	400	400
Part E Education Professions Development					
Authorizations	50	75	100	100	100
Outlays[2]	21	46	79	93	100
Part F Improvement of Undergraduate Instruction					
Authorizations	70	70	70	70	70
Outlays[2]	7	42	67	70	70
Part G Construction of Academic Facilities					
Authorizations	594	594	594	594	594
Outlays[2]	14	72	159	275	420

	($ in millions)				
	FY1977	FY1978	FY1979	FY1980	FY1981
Part H Networks for Knowledge					
Authorizations	$ 15	$ 15	$ 15	$ 15	$ 15
Outlays[2]	2	15	15	15	15
Part I Graduate Programs					
Authorizations[8] (est.)	104	106	108	109	111
Outlays[2]	10	92	103	108	110
Law School Clinical Assistance Program					
Authorizations	8	8	8	8	8
Outlays[2]	8	8	8	8	8
Part J Community Colleges and State Postsecondary Planning					
Authorizations	166	166	166	166	166
Outlays	45	83	117	145	150
TOTAL: Title I, S. 2657					
Authorizations	6,681	6,824	7,030	7,087	7,220
Outlays	1,036	5,538	6,348	6,671	6,957

1. Outlays calculated using spend-out rates provided by the Budget Office, U.S. Office of Education.

2. Outlays calculated using a weighted spend-out rate between the Basic and Advanced programs provided by the Budget Office, U.S. Office of Education.

3. This authorization has two components: (1) the cost of a Basic Grants program with an $1,800 maximum award (the present maximum is $1,400); (2) the cost of paying institutions $15 per Basic Grant recipient per year.

4. Since this is a new program for which there is no outlay analysis, the spend-out rate is estimated to be similar to that for Part A--Community Services.

5. The intent of the original legislation was to limit authorizations to $900 million with a maximum of $100 million additional available for Title IX, Part F. This bill repeals Title IX, Part F. In light of this action, we are assuming that the maximum authorization for Cost-of-Instruction payments is $900 million. We also note that these provisions have never been funded by the appropriations committees.

6. This authorization is comprised of: subsidy and special allowance costs as projected by a loan flow model developed by the Guaranteed Student Loan program incorporating CBO estimates of the growth in average loans; administrative allowance costs of paying institutions $10 for each student who is enrolled and in receipt of a loan. This authorization does not include the costs associated with the provision to raise the income limit for subsidy eligibility to $25,000. CBO cautions that these costs could be significant, especially in the first year where a portion of all previously unsubsidized borrowers in the $15,000-$25,000 income range could possibly claim their subsidy. The first year costs, roughly estimated, could be about $40 million.

7. Weighted spend-out of federal capital contributions, loans to institutions, and military service cancellations.

8. The bill allows a maximum of 7,500 fellowships under Part B and 800 fellowships under Part C. The authorizations assume these maximums and also assume a $6,700 stipend based on data from the National Board of Graduate Education and the Factbook, Bureau of Postsecondary Education.

Title II

The estimates for Title II, amendments to the Vocational Education Act of 1963 (see Table A), are based on the authorization levels, where stated, in S. 2657 (see Table B); appropriations history, where the authorization is "such sums as may be necessary"; and Office of Education projections of the outlays patterns resulting from a given year's budget authority (see Table E).

Table A, Costs of S.2657, Titles II Vocational Education

(dollars in millions)

Fiscal Year	Authorization Level	Outlays					
		FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
76	410.2	196.9	131.3	82.0			
77	410.2		196.9	131.3	82.0		
78	1159.0			556.3	370.9	231.8	
79	1370.0				657.6	438.4	274.0
80	1581.5					759.1	506.1
81	1768.5						848.9
TOTAL		196.9	328.2	769.6	1110.5	1429.3	1629.0

Table B. Authorization Levels in S. 2657, Title II — Vocational Education
As reported by the Committee on Labor and Public Welfare, April 6, 1976

Function	VEA Sec. (76-77)	FY 76 ($ mil)	FY 77 ($ mil)	VEA Sec. (78-82)	FY 78 ($ mil)	FY 79 ($ mil)	FY 80 ($ mil)	FY 81 ($ mil)	FY 82 ($ mil)
State Grants	102(a)	$(565)**	$(565)**	102(a)	$650	$750	$850	$950	$1000
Grants for Disadvantaged	102(b)	60	60	102(b)	70	80	90	100	100
Grants for Bilingual Voc Ed	102(c)	40	40	102(c)	40	40	40	40	40
Exemplary Programs	142(a)	75	75	132(a)	25	30	40	50	75
Residential Demo Schools	151(b)	35	35	—	—	—	—	—	—
State Residential Programs	152(a)(1)	15	15	—	—	—	—	—	—
Construction Loan Subsidy Grants	153	0*	0*	—	—	—	—	—	—
Cooperative Voc Ed	172(a)	75	75	147	25	30	35	40	50
Work-Study	181(a)	45	45	141	45	50	55	60	60
Curriculum Dev.	189(b)	10	10	137	10	10	10	10	10
Consumer Ed	161(a)(1)	50	50	161	50	60	70	75	80
Bilingual Projects	193			183	40	60	80	80	80
Office for Women	—	—	—	102(f)(1)	5.1	5.1	5.1	5.1	5.1
Vocational Guidance and Counseling	—	—	—	122(a)	25	35	45	55	75
Training	—	—	—	127	55	61	67	74	81
Leadership Awards	—	—	—	129(e)	5.12	5.12	5.12	5.12	5.12
Emergency Remodeling and Rennovation Assistance	—	—	—	152	25	50	75	100	—
Special Energy Education	—	—	—	166	5	10	10	10	—
Research	—	—	—	171(a)	65	75	85	95	100
Grants to Assist in Overcoming Sex Bias	—	—	—	176	5	5	5	5	5

Table B. S. 2657, Title II (cont.)

State plans, advisory councils, dissemination	102(d)	5*	5*	102(d)	5.5*	5.5*	6*	6*	6.5*
National Council (tech. asst.)	104(a)(4)	0.15	0.15	192(c)	0.25	0.25	0.25	0.25	0.25
State Advisory Councils	—	—	—	105(c)(1)	8	8	8	8	8
TOTAL AUTHORIZATION		$410.15	$410.15		$1158.97	$1369.97	$1581.47	$1768.47	$1780.97

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*"Such sums as may be necessary" — Amounts are estimates based on appropriations history.

**S. 2657 does not change current authorizing levels of $565 million until FY 78; amounts for FY 76 and FY 77 are not included in total amount indicated as directly authorized by this bill.

Titles III and IV

The estimates for Titles III and IV, amendments of related education legislation (see Table C), are based on the authorization levels, where stated in S. 2657 (see Table D); appropriations history where the initial authorization is for "such sums as may be necessary"; authorization history, where authorizations are specified until fiscal year 1979 and are for "such sums as may be necessary" thereafter; and projections by the Office of Education and the National Institute of Education of the outlay patterns resulting from a given year's budget authority (see Table E).

TABLE C. Spendout of Authorization Levels in S.2657, Titles III and IV
(dollars in millions)

Program	Fiscal Year	Authorization Level	Outlays					
			FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
Emergency Student Loan Incentive Payments	---included in prior discussion of guaranteed student loan program--							
NDEA Title III	76	**						
	77	**						
	78	130.5			18.3	86.1	26.1	
State Admin. of NDEA III	76	**						
	77	**						
	78	10.0			1.4	6.6	2.0	
NDEA Title VI	76	75	0	51.0	24.0			
	77	75		0	51.0	24.0		
	78	75			0	51.0	24.0	
	79	75				0	51.0	24.0
	80	75					0	51.0
	81	75						0
International Education	76	40	0	27.2	12.8			
	77	20		0	13.6	6.4		
	78	30			0	20.4	9.6	
	79	40				0	27.2	12.8
	80	40					0	27.2
	81	40						0
Emergency School Aid	76	**						
	77	333		66.6	219.8	46.6		
	78	333			66.6	219.8	46.6	
	79	333				66.6	219.8	46.6
	80	350					70.0	231.0
	81	367						73.4

TABLE C (continued)

Program	Fiscal Year	Authorization Level	Outlays FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
Emergency Special Proj.	77	100		20.0	66.0	14.0		
	78	100			20.0	66.0	14.0	
	79	100				20.0	66.0	14.0
	80	100					20.0	66.0
	81	100						20.0
Ellender Fellowships	76	**						
	77	0.75		0.75				
	78	0.75			0.75			
	79	1				1.0		
	80	1					1.0	
	81	1						1.0
NIE	76	**						
	77	166		91.3	49.8	24.9		
	78	166			91.3	49.8	24.3	
	79	166				91.3	49.8	24.3
	80	174					95.7	52.2
	81	183						100.7
Career Ed Programs	78	25			7.0	15.0	3.0	
	79	35				9.8	21.0	4.2
	80	45					12.6	27.0
	81	55						15.4
Career Counseling	78	20			5.6	12.0	2.4	
	79	20				5.6	12.0	2.4
	80	20					5.6	12.0
	81	20						5.6
TOTAL COST (excluding Student Loan Incentive Payments)			0	256.9	648.0	836.9	803.7	810.8

** Authorized in existing legislation; not included in costs directly attributable to S.2567.

Table D. Authorization Levels in S 2657, Titles III and IV — Related Education Programs
As reported by the Committee on Labor and Public Welfare, April 6, 1976

Purpose	FY 76 ($ mil)	FY 77 ($ mil)	FY 78 ($ mil)	FY 79 ($ mil)	FY 80 ($ mil)	FY 81 ($ mil)	FY 82 ($ mil)
Emergency Insured Student Loan Incentive Payments	--- included in prior discussion of guaranteed student loan program ---						
NDEA Title III (strengthening instruction in critical subjects)	($130.5)**	($130.5)**	$130.5	—	—	—	—
State admin. of NDEA Title III	(10)**	(10)**	10	—	—	—	—
NDEA Title VI (college foreign language training centers)	75	75	75	75	75	75	75
International Education Act Title I	40	20	30	40	40	40	40
Emergency School Aid (extension of existing authority)	(333)**	333	333	333	350*	367*	385*
Emergency School Aid (special projects)	—	100	100	100	100	100	100
Ellender Fellowships	(0.5)	0.75	0.75	1	1	1	1
National Institute of Education	(90*)**	166	166	166	174*	183*	192*
Career education programs	—	—	25	35	45	55	75
Career counseling	—	—	20	20	20	20	20
TOTAL AUTHORIZATION (excluding student loan incentive payments)	$115.00	$694.75	$890.25	$770.00	$805.00	$841.00	$888.(

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*"Such sums as may be necessary" — Amounts are estimates based on appropriations history or prior year authorization ceilings, where applicable.

**S. 2657 does not change existing authority; amounts included in parentheses are not included in total amount indicated as directly authorized by this bill.

TABLE E. Estimated Spendout Ratios for Programs in Titles II, III, and IV of S.2567

	Year 1	Year 2	Year 3
Vocational Education	48%	32%	20%
NDEA Title III 1/	14	66	20
NDEA Title IV	0	68	32
International Education Act 2/	0	68	32
Emergency School Aid	20	66	14
Ellender Fellowships	100	0	0
NIE	55	30	15
Career Education 3/	28	60	12

SOURCE: Based on estimates from the U. S. Office of Education Budget Office and NIE Budget Office

1/ Outlay ratios are those of the consolidation of which it is a part.

2/ No appropriations have been made under this authority; outlay ratios used are for foreign language training centers (NDEA Title IV).

3/ New authority; outlay ratios used are those for existing career education programs under other authority.

6. COST COMPARISON: Not Available

7. PREVIOUS CBO ESTIMATE: Not Applicable

8. ESTIMATE PREPARED BY: Richard Wabnick
Steven Chadima
(225-4745)

9. ESTIMATE APPROVED BY:

James L. Blum
Assistant Director for
Budget Analysis

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to Section 133(b) of the Legislative Reorganization act of 1946, as amended, the following is a tabulation of votes cast in Committee.

#1 Motion by Mr. Beall to table an amendment by Mr. Hathaway establishing minimum wage guidelines for the Work Study program. Adopted: 11 Yeas—2 Nays.

YEA	NAY
Mr. Randolph	Mr. Hathaway
Mr. Pell	Mr. Durkin
Mr. Kennedy	
Mr. Nelson	
Mr. Cranston	
Mr. Javits	
Mr. Schweiker	
Mr. Taft	
Mr. Beall	
Mr. Stafford	
Mr. Williams	

#2 Amendment by Mr. Hathaway to authorize the Commissioner, under certain circumstances, to waive the requirement under the Vocational Education Act that States establish State planning commissions. Adopted: 13 Yeas—1 Nay.

YEA	NAY
Mr. Pell	Mr. Mondale
Mr. Kennedy	
Mr. Nelson	
Mr. Eagleton	
Mr. Cranston	
Mr. Hathaway	
Mr. Durkin	
Mr. Javits	
Mr. Schweiker	
Mr. Taft	
Mr. Beall	
Mr. Stafford	
Mr. Williams	

TABULATION OF VOTES CAST IN COMMITTEE

#3 Motion by Mr. Mondale to strike the provisions in the Vocational Education Act establishing State planning commissions. Rejected: 7 Yeas—8 Nays.

YEA	NAY
Mr. Randolph	Mr. Pell
Mr. Mondale	Mr. Kennedy
Mr. Eagleton	Mr. Nelson
Mr. Durkin	Mr. Cranston
Mr. Taft	Mr. Hathaway
Mr. Beall	Mr. Javits
Mr. Stafford	Mr. Schweiker
	Mr. Williams

#4 Motion by Mr. Pell to report S. 2657, with amendments. Adopted by voice vote.

SECTION-BY-SECTION ANALYSIS

SECTION 2. TRANSITION PERIOD AUTHORIZATION

Such sums are authorized as may be necessary for the period July 1, 1976 through September 30, 1976 to carry out the programs authorized or amended by this Act, with the exception of those programs becoming effective in 1977.

SECTION 3. EFFECTIVE DATE

All provisions pursuant to this Act shall become effective thirty days after the day this Act is enacted with the exception of those provisions for which specific enacting dates are provided and those provisions authorizing appropriations which shall take effect July 1, 1976.

TITLE I—HIGHER EDUCATION

PART A—COMMUNITY SERVICES AND CONTINUING EDUCATION

SECTION 101. EXTENSION AND REVISION OF PROGRAM

Title I, Higher Education Act is extended through Fiscal Year 1982 at an increased authorization level of $80,000,000 for each fiscal year. The Statement of Purpose is enlarged to include language concerning lifelong learning and postsecondary continuing education.

The title is renumbered and divided into four parts: A—Community Service programs, B—Postsecondary Continuing Education Programs, C—National Strategy for Lifelong Learning, and D—General Provisions.

Appropriations for these activities are divided in the following manner: 1.) Half of the authorization is to be divided between Parts A and B at a ratio of three to one respectively. The other half is to be divided among the sections of Part C, unless $5,000,000 or less is appropriated in which case the money shall be available for Part A.

Part A, an extension of existing law, provides for the allotment to States of funds to provide new, expanded, or improved community service programs. The funds shall be expended in accordance with plans drawn by State agencies which have special qualifications on solving community problems and which are broadly representative of institutions of higher education in that State.

Part B, a new program, provides for the allotment to the State of funds to develop and support postsecondary continuing education programs. States wishing to participate in this program must file a supplementary request in the state plan described in Part A of this title. Provisions are included to allow the Commissioner to provide technical assistance to States operating continuing education programs, and to mandate the use of funds used by any State for comprehensive planning.

Part C, a new program, provides for a program of planning, assessing, and coordinating projects related to lifelong learning, as defined. This program will be carried out by the Commissioner, who may make arrangements with State or Local Education Agencies to assist them in these efforts. The Commissioner is further instructed to make certain reports to the President and the Congress concerning activities carried out under this title.

Part D, existing law, includes an amendment to raise the ceiling on payments to States for development and administration. The National Advisory Council on Extension and Continuing Education is extended until the programs authorized by this title are terminated.

Part B—College Library Assistance and Library Training and Research

SECTION 106. EXTENSION OF AUTHORIZATION

Parts A and B of Title II, Higher Education Act are extended through Fiscal Year 1982 with a yearly authorization of $100,000,000. This is the same amount authorized in Fiscal Year 1976.

This program authorizes the Commissioner to assist and encourage institutions of higher education in the acquisition of library resources, in research and in training persons in librarianship.

Part A, existing law concerning basic grants for which institutions of higher education apply to the Commissioner, is unchanged.

Part B, existing law concerning grants for training and research, is unchanged.

SECTION 107. REVISION OF RESEARCH LIBRARY RESOURCES

Existing law concerning aid to research library programs, is rewritten. A statement of findings is inserted, declaring that Congress recognizes the great value of research libraries to higher education. The Part is authorized through Fiscal Year 1982 at increased levels of funding, from $10,000,000 in Fiscal Year 1977 to $20,000,000 by Fiscal Year 1979 and thereafter.

The Commissioner is authorized to provide grants to eligible libraries, as defined, that serve as major research libraries. This replaces the former Part C program which authorized the Commissioner to transfer funds to the Librarian of Congress for various purposes.

A new section directs the Commissioner to establish criteria designed to achieve a reasonable regional balance in the allocation of funds under this part. Another new section prohibits funds under this Part being used for sectarian instruction or religious worship. The last new section directs institutions receiving funds under this part to periodically inform the State agency (if any) concerned with higher education of their activities.

Part C—Strengthening Developing Institutions

SECTION 111. EXTENSION OF AUTHORIZATION

Title III of the Higher Education Act is extended through Fiscal Year 1982 with a yearly authorization of $120,000,000. This is the same amount authorized in Fiscal Year 1976.

This program authorizes the Commissioner to carry out a program of special assistance to strengthen the academic quality of developing institutions, as defined.

PART D—STUDENT ASSISTANCE

SECTION 121. BASIC EDUCATIONAL OPPORTUNITY GRANTS

Section 411(a)(1) of Title IV, Higher Education Act, existing law authorizing the Commissioner to award Basic Educational Opportunity Grants, is extended through Fiscal Year 1982.

Effective for academic year 1977–78 the maximum amount of each grant is increased from $1,400 to $1,800, less the expected family contribution.

In determining the family contribution, Social Security educational benefits paid to a student will be considered as effective family income, and one half of Veterans Administration education benefits will be considered as effective income for the student.

A new section authorizes payments of unexpended funds for three months of a new fiscal year, but only for entitlements established in the fiscal year for which the appropriations were made.

Section 411(b)(4), requiring that appropriations for Supplemental Educational Opportunity Grant's, College Work-Study Program, and National Direct Student Loan Program's reach certain levels before Basic Grant payments may be made, is extended through Fiscal year 1982.

Section 411(b)(3) (c), concerning reduced awards, is repealed.

A new section authorizes payments to institutions of $15 per academic year for each grantee to provide for student information and to pay for the cost of administering this program.

SECTION 122. SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

Section 413A(b)(1) of the Higher Education Act, the Supplemental Educational Opportunity Grant program is extended through Fiscal Year 1982. This program authorizes grants to qualified students who lack the means to benefit from postsecondary education.

SECTION 123. STATE STUDENT INCENTIVE GRANTS

Section 415A(b)(1) of the Higher Education Act, the State Student Incentive Grant program to make incentive grants available to the States to assist them in providing grants to students, is extended through Fiscal Year 1982.

The program is amended so that states which do not match federal funds for this program by one hundred and fifty percent cannot prohibit grants to students who attend out of state institutions.

A second provision states that after Fiscal Year 1976 all non-profit institutions shall be eligible to participate in the program.

A new section is added to Subpart 3, numbered Section 415E. This section mandates that the Commissioner shall allot 50 percent of the sum appropriated pursuant to this subpart to each State having an agreement under section 428(b), if such sum is greater than $50,000,000 but less than $200,000,000. If the sum is greater than $200,000,000 then all of such sum shall be alloted to States having an agreement under Section 428(b).

SECTION 124. SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

Section 417A(b) of the Higher Education Act, authorizing special programs for students from disadvantaged backgrounds, is extended through Fiscal Year 1982. Funding for the program is increased from $100,000,000 to $200,000,000 per year.

Language is inserted in the statement of authorized activities to include programs designed to assist students who suffer from severe rural isolation or who come from minorities which are underrepresented in certain fields.

Also, authorization is given for the Commissioner to pay 90% of the cost of establishing and operating or enlarging service learning centers. The Commissioner is also authorized to require institutions entering into a contract under this new program to submit an application accompanied by such information as he deems appropriate. The disclosure of financial information is emphasized.

The Commissioner is further authorized to require that non low-income family students make up no more than one-third of the total number of students served by these projects. He can enter into contracts with other institutions or public agencies to provide training for staff and leadership personnel. Internships, short-term training institutes, and inservice training programs are provided for.

A fellowship program is established, and the Commissioner is authorized to award not less than one hundred such fellowships for Fiscal Year 1977.

Individualized programs for disadvantaged students are emphasized, by the expressed intent of Congress.

A National Center for Postsecondary Opportunity is created. This center shall coordinate and evaluate programs operated under Sections 417A and 417B, it shall identify and assess innovative and effective programs, it shall gather and disseminate information, it shall furnish technical assistance in the development of training programs, it shall assist in the development of effective evaluation procedures, and it shall provide a forum for individuals to discuss issues relating to the improvement of special services. The Commissioner must prepare and submit a report on the activities of the center hereby established.

SECTION 125. EDUCATIONAL OUTREACH PROGRAM

A new subpart is added to Title IV Higher Education Act, authorized through Fiscal Year 1982 at a yearly authorization starting at $20,000,000 in Fiscal Year 1977 and increasing to $40,000,000 in Fiscal Year 1979 and thereafter.

Under this subpart the Commissioner shall allocate funds according to a formula based upon the number of residents from each State who received or are expected to receive a Basic Educational Opportunity Grant. States shall use these funds to establish Educational Outreach Centers in the State designed to: seek out and encourage students to attend full and part-time postsecondary education or training, to take part in Cooperative education or job placement programs, to offer guidance and counseling services, or to provide remedial or tutorial services. Not more than 75 per cent of the cost of planning, establishing, and operating an outreach center shall be paid with Federal funds. No State submitting an approved plan shall receive less than $50,000.

SECTION 126. VETERANS' COST-OF-INSTRUCTION PAYMENTS

Section 420(a)(1) of the Higher Education Act, the Veterans Cost of Instruction program, is authorized through Fiscal Year 1982. This program provides for payments to institutions of higher education who enroll certain numbers of veterans receiving vocational rehabilitation under Chapter 31, Title 38 U.S.C., or under Chapter 34 of the same Title.

Institutions which established an entitlement in Fiscal Year 1976 shall be entitled during the succeeding year if the number of Veterans' Cost of Instruction students equals the number of such persons during the preceding academic year less the number of such persons whose eligibility for benefits under chapter 34, title 38 U.S.C. expired. The same eligibility will be established if the number of Veteran's Cost of Instruction students equals the statutory minimum number, as defined, less the number of such persons whose benefits expired.

Additional language places emphasis on outreach programs and services for the disadvantaged. The Commissioner shall seek to coordinate this program with others carried out pursuant to title 38 U.S.C. The Office of Education shall administer this program through an identifiable administrative unit.

SECTION 127. FEDERAL AND STATE INSURED LOAN PROGRAM

The Federal Loan Insurance Program, Part B Title IV of the Higher Education Act, is extended through Fiscal Year 1982. The total principal amount of new loans made per year shall be up to $2,000,000,000. This is the amount currently authorized. New language states that no borrowers shall be relieved from repaying a loan by reason that they are below the age of majority when they apply for their loans. Students may request that repayment be made over a shorter period than the current five year minimum; however, those borrowers may request extensions of their shortened repayment schedule to the full five year period. In the cases when husbands and wives have combined payments the total of such payments shall not be less than $360 or the balance of all such loans, whichever is less; which is the same repayment scale currently accorded individual borrowers. Lenders are encouraged to make multiple disbursements while still receiving interest as if the total principal amount had been paid. The eligiblity for federal interest payments is broadened to include students with an adjusted family income level of $25,000, an increase of $10,000 over the current level.

Any State that has entered into a guaranty agreement with the Commissioner whereby the State will be reimbursed for an amount equal to 80 percent of the amount expended by it in discharge of its insurance obligation may enter into a supplementary guaranty agreement. The Commissioner, at the option of the State, shall reimburse a State in an amount equal to 95 per cent of the amount expended by it in discharge of its insurance obligation if it is determined that the State student loan insurance program limits loans to $2,500 per academic year and also limits the aggregate amounts that students may borrow, insures 100 per cent of the amount of each loan, insures loans for part-time study, places no restrictions on loans to State residents or students attending residential institutions within the State, and places no restrictions on institutions other than those required for eligibility by the Federal government or other limitations in the FISL program. Similarly the Commissioner may also enter into an optional supplemental guaranty agreement, reimbursing States for 100 per cent of the amount they expend in discharging their insurance obligations if it is determined by the Commissioner that the State student loan insurance program meets all the requirements of the 95 per cent program and in addition provides for the eligibility of institutions to act as lenders as they do in the Federal student loan insurance program. The supplemental guaranty agreement shall set forth administrative and fiscal procedures, provide assurance that the requirements of the program are being met, provide for such program reports as the Commissioner shall require, assure that all provisions of the program are in accordance with State law, provide for the refund of certain collections to the student loan insurance fund, and include other provisions as may be necessary to promote the purposes of this part. The Commissioner may provide for the forgiveness of certain loan debts through regulation. These amendments become effective on October 1, 1976.

Eligible educational institutions shall receive a $10 payment per academic year for each student enrolled in such institution who is in receipt of a loan under this program. Funds received pursuant to this authority will be used first to carry out certain administrative duties, especially student consumer information services as required by section 131 of this bill. The Commissioner is authorized to pay States for the administrative costs of the collection of loans under this program. These administrative payments will be made after the State has sent an application to the Commissioner showing its expenses and assuring that the provisions of the program, as outlined in the optional 95% reinsurance program, have been followed, including whatever fiscal and due diligence requirements the Commissioner has mandated. No payments shall be made to any State in excess of an amount equal to 4 percent of the amount of loans under that State's loan program. The Commissioner may waive this limitation when he deems it necessary. These amendments become effective October 1, 1976.

The use of commissioned salesmen to promote guaranteed loans is prohibited to eligible institutions. When the Commissioner determines that an eligible institution making loans to its students pursuant to this program suffers a default rate over two consecutive years of 15 percent or more he may terminate the status of that institution as an eligible lender. However, if the Commissioner determines that this termination would be a hardship on the students of that institution, or if he determines that the institution will improve its collection efforts, then the termination of that institution's status as an eligible lender may be waived. The Commissioner is also empowered to require that institutions improve their procedures for keeping timely records of borrower addresses and enrollment status, and that such information may be made available to such agencies who have made loans to those individuals.

SECTION 128. STUDENT LOAN MARKETING ASSOCIATION

Section 439. Title IV of the Higher Education Act, dealing with the Student Loan Marketing Association is amended. The association may establish its claim to a student loan account by filing a notice to that effect in accordance with the manner established by State laws as this allows the association an alternative method of handling its accounts besides the present method of physically taking possession of each loan certificate.

SECTION 129. WORK STUDY PROGRAM

Sesction 441(b) of the Higher Education Act is authorized at current funding levels, $420,000,000 per year, through Fiscal Year 1982. This is the Washington Study program which stimulates and promotes the part-time employment of students, particularly students with great financial need. Funding is maintained at the present level.

The scope of the program is enlarged so that students may work for Federal, State, or local public agencies.

Students entering employment under this program shall not be required to terminate such employment because the income earned as a result of such employment exceeds that student's determination of need.

Institutions shall provide assurance that all students who desire such employment may participate in work-study programs. This is a broader mandate than in existing law.

The Work Study program is further amended to mandate that the Work Study agreement institutions make with the Commissioner shall include provisions insuring that the institutions will employ work-study students for a certain number of hours, according to a formula, based upon the total number of students in attendance at that institution, to provide financial aid, counseling and information. The Commissioner may waive this requirement with respect to any institution if he determines that such institution provides effective institutional and financial information for students.

SECTION 130. COOPERATIVE EDUCATION

Section 451(a) of the Higher Education Act, the Cooperative Education program to enable the Commissioner to make grants to institutions of higher education for programs that alternate periods of study with periods of work, is authorized through Fiscal Year 1982. Funding levels start at $15,000,000 in Fiscal Year 1977, rising to $25,000,000 by Fiscal Year 1979 and thereafter. This is an increase over present levels.

The program is amended to allow participating students to alternate part time work with part time study periods, and the maximum grant an institution may receive is raised from $75,000 to $150,000.

Section 451, enabling the Commissioner to make training, demonstration, or research grants or contracts, is authorized through Fiscal Year 1982. Funding starts from $1,500,000 in Fiscal Year 1972 rising to $3,000,000 in Fiscal Year 1979 and thereafter. This is an increase over the present level of authorizations.

SECTION 131. DIRECT LOAN PROGRAM

Section 461 of the Higher Education Act, the Direct Loan program to authorize the Commissioner to help establish funds at institutions of higher education for the making of low-interest loans to needy students, is authorized through Fiscal Year 1982. Funding is maintained at the present level.

The program is amended to provide for the cancellation of loans in cases where borrowers die or are disabled, which subsection is made effective on June 23, 1972. Section 465, dealing with the cancellation of loans for certain public service, is made inapplicable with respect to any loan made after the date of enactment of this bill.

SECTION 132. STUDENT CONSUMER INFORMATION

Section 493 of the Higher Education Act, dealing with expenses of administration, is amended to include a new section. The new language requires institutions of higher education receiving payments under section 411(c), 428(e) or 493 of title IV, Higher Education Act to carry out information dissemination activities regarding financial assistance to current and prospective students. Furthermore, institutions are required to designate a full-time employee, or employees, to assist students in obtaining such information. The Commissioner shall provide institutions with descriptions of Federal student assistance programs, he shall be responsible to insure that schools expend the funds they receive in a manner that is consistent with the provisions of this section, and for the first year, he may waive any provision of this section in regard to any institution if he deems that institution is making progress towards full compliance with the provisions of this section.

SECTION 133. IMPROVED COLLECTION FOR INSURED LOAN PROGRAM

Section 133, Title IV of the Higher Education Act is amended by inserting a new section, numbered 498A, which mandates that any loan insured or guaranteed pursuant to part B of the title cannot be discharged on account of bankruptcy for a five year period beginning on the date of commencement of the repayment period of such loan. This provision will become effective with respect to any proceedings begun under the Bankruptcy Act thirty days after the date of enactment of this Act.

SECTION 134. FISCAL RESPONSIBILITY

Title IV of the Higher Education Act is further amended by another new section, numbered 498B. This section empowers the Commissioner to establish regulations to provide for fiscal audits of institutions which enroll students receiving basic grants, work study aid or direct loans. The Commissioner may also proscribe such regulation as may be necessary to limit, suspend, or terminate institutions enrolling students receiving basic grants, work study aid, or direct loans.

SECTION 135. REPORT ON HIGH SCHOOL EQUIVALENCY PROGRAM AND COLLEGE ASSISTANCE MIGRANT PROGRAM

This is a new section which requires the Commissioner, with the Secretary of Labor, to submit a report on programs and activities authorized by section 417, Special Programs for Students from Disadvantaged Backgrounds, and on programs known as the High School Equivalency Program and the College Assistance Migrant Program. This report will examine said programs and determine if they should be administered by the Office of Education; and, if so, the structure required to administer such programs will be recommended. The intent of Congress is expressed that the objectives of these programs will not be diminished or eliminated.

PART E—EDUCATION PROFESSIONS DEVELOPMENT EXTENSION AND REVISION OF TITLE V

SECTION 151. REVISION OF TITLE V

The heading of title V of the Higher Education Act is amended to read: Title V-Teacher Corps. Part A of title V, containing general provisions regarding program authorizations, the National Advisory Council on Education Professions Development, the Commissioners annual report on educational personnel needs, and various other programs, is repealed. Subpart 2 of Part B, a program enabling the Commissioner to make grants to States to support communities experiencing teacher shortages, is repealed. Parts C, D and E; programs to provide fellowships for teachers, improve training opportunities for secondary school personnel and train higher education personnel, are repealed. These amendments take effect September 30, 1976.

Effective September 30, 1977, Part F, a program to train vocational educational personnel, is repealed.

SECTION 152. TEACHER CORPS

New language authorizes $50,000,000 for the Teacher Corps program to encourage institutions to participate in teacher training in areas where there is a concentration of low income families, in Fiscal Year 1977, which sum raises to $100,000,000 by Fiscal Year 1979 and thereafter through Fiscal Year 1982. New language broadens the category of people who may serve under this program. The length that an institution may participate in a Teacher Corps program is increased from two to five years. New language increases the number of technical services the Commissioner may make available or provide to enrolled institutions. A Community Council is established in each area which shall be served by a Teacher Corps. The council will participate in the planning, execution, and evaluation of certain projects. The Commissioner is authorized to pay the administrative expenses of the councils. A ratio of five employed teachers to one teacher trainee is established in these projects. The Commissioner is authorized to compensate Local Educational Agencies for personnel time lost due to Teacher Corps training activities.

SECTION 153. TEACHER TRAINING PROGRAMS

A new part is inserted after the Teacher Corps legislation in title V of the Higher Education Act. $75,000,000 per year is authorized through Fiscal Year 1982 for various program activities under the part. $500,000 per year through Fiscal Year 1982 is authorized for the Council on Teacher Training. Such sums are authorized as will be needed for teacher training surveys and assessments.

The National Center for Education Statistics shall conduct surveys on teacher availability, demand, training needs, the need for teachers in areas of critical demand; current teacher training programs, and shall submit such reports to Congress annually with recommendations on how these needs will be met.

A Council on Teacher Training Surveys and Assessments is established, which shall meet at least annually. The Commissioner shall appoint the members of the Council. The Council will assess the status of teacher training and may conduct such surveys as it deems appropriate. The Council is enabled to submit reports to the Congress recommending areas which need special assistance, in regards to teacher availability and qualifications. The Council will follow each report with a plan, which may be developed with the aid of public hearings, to remedy the needs documented by their report. These plans will be implemented only upon the appropriation of sums specifically identified for these programs.

The Commissioner is authorized to make grants to local education agencies to establish Teacher Centers, as defined. These centers will be operated by a board, the majority of which will be representative of elementary and secondary school classroom teachers. Applications by Local Education Agencies will be presented to the appropriate State Agency for comment and referral to the Commissioner. The Commissioner is enabled to compensate State agencies for their administrative expenses under this program. 10% of the funds available under this program may be used by the Commissioner to make grants directly to institutions of higher education to operate Teacher Centers.

The Commissioner is authorized to make grants to institutions of higher education for the training of higher education personnel including counselors and administrators. Special attention will be paid to programs concerning individuals from disadvantaged backgrounds. Stipend payments may be included in these programs if they are deemed by the Commissioner to be necessary.

The Commissioner is authorized to make grants to institutions of higher education for the improvement of graduate programs in education. Such grants may include provisions for teacher training, research, cooperative programs with state and local agencies, and guidance.

Part F—Financial Assistance for the Improvement of Undergraduate Instruction

SECTION 156. EXTENSION OF AUTHORIZATION

Section 601(b) of the Higher Education Act, enabling the Commissioner to make grants to institutions of higher education for the acquisition of equipment and for minor remodeling is authorized through Fiscal Year 1982. Funding is maintained at the current level, $60,000,000 per year.

Section 601(c) of the Higher Education Act, enabling the Commissioner to make grants to institutions of higher education and combinations of institutions for the acquisition of television equipment and minor remodeling. Funding is maintained at the current level, $10,000,000 per year.

Part G—Construction of Academic Facilities

SECTION 161. EXTENSION AND REVISION OF PROGRAM

Section 701 of the Higher Education Act, enabling the Commissioner to carry out a program of grants for the construction of academic facilities, is authorized through Fiscal Year 1982. Funding is maintained at the current level, $300,000,000 per year. Section 721 of the Higher Education Act, enabling the Commissioner to make grants to institutions of higher education to assist them in improving and establishing graduate schools and centers, is authorized through Fiscal Year 1982. Funding is maintained at the current level, $80,000,000 per year.

Section 741 of the Higher Education Act, enabling the Commissioner to make and insure loans for the construction of academic facilities, is authorized through Fiscal Year 1982. Funding is maintained at the current level, $200,000,000 per year.

The construction loan program is amended so that the interest paid for these loans shall be not less than a quarter of one percentage point above the average annual interest rate on all interest-bearing obligations of the United States. The ceiling in existing law, 3 percent per year, is removed. The Commissioner is also prohibited from foreclosing on any loan if he determines that the recipient is likely ever to be capable of repaying such a loan.

He may grant temporary moratoriums on the repayment of loans. The interest charge on interest grant payments is revised upwards. The total amount of annual interest grants is set at the current level, $13,500,000 per year.

A new section, 747, is added. This section enables the Commissioner to make loans to institutions of higher education for the purposes of reconstruction and renovation in order to conserve energy, comply with Occupational Safety and Health Act standards, and remove architectural barriers. Funds for this section will come from any unused amounts in the revolving loan fund and insurance fund established under section 744. This program is authorized through Fiscal Year 1982.

PART H—NETWORKS FOR KNOWLEDGE

SECTION 166. EXTENSION OF AUTHORIZATION

Section 802 of the Higher Education Act, enabling the Commissioner to encourage institutions of higher education to share their facilities and resources, is authorized through Fiscal Year 1982. Funding is maintained at current levels, $15,000,000 per year.

PART I—GRADUATE PROGRAMS

SECTION 171. EXTENSION AND REVISION OF GRADUATE FELLOWSHIPS AND ASSISTANCE

Part A, title IX, of the Higher Education Act, enabling the Commissioner to make grants to institutions of higher education to assist graduate and professional programs, is authorized through Fiscal Year 1982. Funding is maintained at the current level of $50,000,000 per year. New language broadens the range of activities authorized, emphasizing innovation and development. Each institution submitting a request for funds will assure the Commissioner that its plan is consistent with its States' higher education programs, and that the state higher education commission has been notified of its activities and been given the opportunity to comment. The Commissioner will consider the impact of requests with respect to State, regional and national priorities.

Part B, title IX of the Higher Education Act, enabling the Commissioner to award fellowships for study in graduate programs, is authorized through Fiscal Year 1982. The current such sums authorization is maintained. New language redefines the period of such fellowships from three calendar years to thirty-six months, and the Commissioner may allow recipients to break their study for twelve months. Activities are also emphasized regarding persons outside of the traditional higher education establishment, provisions are made to assure that levels of funding are consistent with comparable Federal programs, and further emphasis is placed on achieving a reasonable geographic distribution among fellowship recipients. In regard to fellowship stipends, new language says that the sum of any fees charged to a recipient by an institution will be deducted from any institutional payments provided by the Commissioner.

Part C, title IX of the Higher Education Act, authorizing the Commissioner to award fellowships for persons interested in public service, is extended through Fiscal Year 1982. The current such sums authorization is maintained. New language redefines the period of such fellowships from three calendar years to thirty-six months. A twelve month extension is authorized. The Commissioner may allow recipients to break their study for twelve months. The category of persons eligible for the fellowships is increased. New language also emphasizes the need for in-service training. In regard to fellowship stipends, the sum of any fees charged to a recipient by an institution will be deducted from any institutional payments provided by the Commissioner and assurances will be made that levels of funding are consistent with comparable Federal programs.

Part D, title IX of the Higher Education Act, authorizing the Commissioner to award various fellowships, is extended through Fiscal Year 1982. New language redefines the period covered by the fellowships from three calendar years to thirty-six months. The Commission may grant twelve-month extensions. The Commissioner may also allow recipients to break their study for twelve months. In regard to fellowship stipends, the sum of any fees charged to a recipient by an institution will be deducted from any institutional payments provided by the Commissioner and assurances will be made that levels of funding are consistent with comparable Federal programs.

A new part, E, is inserted into title IX of the Higher Education Act. This part mandates that the Commissioner shall prepare and submit a report, including an evaluation, on the activities carried out by the Office of Education pursuant to title IX.

SECTION 172. LAW SCHOOL CLINICAL ASSISTANCE PROGRAM

Title XI of the Higher Education Act is reauthorized through Fiscal Year 1982. The current level of funding, $7,500,000 per year is maintained.

PART J—COMMUNITY COLLEGES AND STATE POSTSECONDARY PLANNING

SECTION 176. EXTENSION AND REVISION OF TITLE X

The heading of title X of the Higher Education Act is changed, and the appropriate references in the bill are reworded. This change to become effective September 30, 1977. The program, to assist the States in supporting community college programs, is extended through Fiscal Year 1982.

The current level of funding, $15,700,000 per year, with which the Commissioner may support State planning efforts, is maintained. The current level of funding for program activities, $150,000,000 per year is maintained.

Part B, title X of the Higher Education Act, dealing with occupational education programs, is repealed.

SECTION 177. AUTHORIZATION FOR STATEWIDE PLANNING

Title XII of the Higher Education Act, regarding State higher education planning, is amended to allow the Commissioner to make grants to assist States organizing certain interstate projects. New language replaces a such sums authorization with a $4,000,000 per year level for intrastate planning activities, and $2,000,000 for interstate planning activities.

TITLE II—VOCATIONAL EDUCATION

SECTION 201. EXTENSION OF CERTAIN VOCATIONAL EDUCATION PROGRAMS

This section extends the Vocational Education Act of 1963 through Fiscal Year 1977.

New language raises the authorization for bilingual vocational education projects from $17,500,000 per year to $40,000,000 per year through Fiscal Year 1977.

SECTION 202. REVISION OF THE VOCATIONAL EDUCATION ACT OF 1963

Effective for Fiscal Year 1978 and thereafter the Vocational Education Act of 1963 is amended to read as follows.

Part A of the Vocational Education Act, outlining state planning processes for vocational education and authorizing Federal grants to States to assist them with their vocational programs, is authorized through Fiscal Year 1982. The program funding level is $650,000,000 for Fiscal Year 1978, rising to $1,000,000,000 by Fiscal Year 1982. This is an increase over the current authorization level. A second authorization of $70,000,000 for Fiscal Year 1978 rising to $100,000,000 by Fiscal Year 1981 and thereafter is added for vocational programs in areas with high concentrations of unemployed youths and for persons other than handicapped who are disadvantaged. A third authorization, $40,000,000 per year through Fiscal Year 1982, is added for bilingual vocational education programs. Such sums are authorized as may be necessary to pay the Federal share of State administrative costs under this program. These authorizations may be used for construction of area vocational schools. A further $5,100,000 per year is authorized for Fiscal Year 1978 and each of the four succeeding fiscal years to establish within the State board an office for women. These offices will conduct programs designed to reduce sex stereotyping in vocational education programs, review State vocational education plans and programs, assist Local Educational Agencies in improving vocational education opportunities for women and develop annual reports on the status of women in State vocational education programs.

The current allotment formula used in the Vocational Education Act of 1963 to distribute appropriated funds is maintained.

States wishing to participate in the programs authorized by the Vocational Education Act shall establish a State planning commission. The commission so established or designated will be responsible for the development and preparation of comprehensive statewide long-range and annual plans. If the membership of a State board meets the requirements for the State planning commission then that board may serve as the commission. Any board so acting shall insure that secondary vocational education programs are coordinated in secondary schools of local educational agencies. The membership of the planning commission shall be composed of representatives from various State agencies, the State Manpower Services Council, labor, business, agriculture, and various other institutions and groups interested in state vocational education programs. Each commission is authorized to obtain the services of such professional personnel as it deems necessary to perform its functions. If the representatives of the agencies named to the State planning commission certify to the Commissioner that they have had the opportunity to participate in the making of the Comprehensive statewide plan, and the annual program plan then the Commissioner shall waive the planning commission requirement and the State board shall carry out the functions of the State planning commission under this Act.

States wishing to participate in programs under the Vocational Education Act shall establish a State advisory council, as already requested by existing law. The membership of the council shall include representatives of management, labor, agriculture, junior colleges, area schools, State or local public manpower agencies, guidance and counseling, correctional institutions, and other groups, agencies, or institutions interested in state vocational education programs. Each council shall advise the State planning commission on the development of comprehensive statewide programs, and shall advise the State board on policy matters arising out of the administration of programs under such plans. Councils shall also evaluate vocational education programs. The Councils shall prepare and submit an annual report the Commissioner and the National Advisory Council which shall evaluate state vocational education programs and recommend changes based upon those evaluations. The Councils may obtain the services of such professional personnel as they deem necessary to perform their functions. The Commissioner is authorized to pay certain expenses of the advisory councils. $8,000,000 per year is authorized from Fiscal Year 1978 through Fiscal Year 1982 for such payments.

The comprehensive Statewide long-range plan submitted through the State board, will cover a period of from four to six years. The plan will set overall manpower and vocational education goals for the State, and shall describe the use of all funds employed to achieve such goals. To develop the plan the commissions shall assess specific vocational needs, the capabilities of state programs, plans for coordination of various activities, delegation of program authority, and planning procedures.

States participating in programs pursuant to the Vocational Education Act will submit and maintain a general application on file with the Commissioner. The file will give assurance that necessary methods of administration will be provided, that an office for women will be established, that standard accounting procedures will be used, that Federal funds will not be used to supplant state funds, that the State will make such reports as the Commissioner deems necessary, and that funds shall be distributed with regard to local interest. Priority will be given to programs dealing with persons with special needs, with areas of particular need, or with innovative programs. Distribution on the basis of per capita enrollment or on the basis of local expenditure is prohibited. All eligible applicants for programs shall be given reasonable notice and opportunity for hearing. Funds will be concentrated on programs to prepare students for employment. The Commissioner shall approve any State application consistent with the Vocational Education Act, and shall not disapprove of the application without giving reasonable notice and opportunity for hearing.

The annual program plan shall be submitted through the State board, for the expenditure of funds received pursuant to the Vocational Education Act. The Commissioner shall approve a State plan if the plan was prepared in consultation with the State advisory council, reflects coordination of certain vocational activities and details the distribution of Federal funds, analyzes previous year expenditures under the Vocational Education Act, updates the State long range plan, has been submitted subsequent to reasonable notice and public hearings, and studies sex discrimination in State vocational education programs. The Commissioner shall approve State annual program plans only after giving written assurance that the State is in compliance with the provisions of the Vocational Education Act. The Commissioner shall not disapprove a State annual plan without giving reasonable notice and opportunity for hearing, nor shall he disapprove solely on the basis of state and local vocational education expenditures.

No annual or long-range plans may be submitted to the Commissioner without the approval of the State board concerned. Plans rejected by a State board will be returned to the State planning commission concerned with recommendations for change. The Commissioner shall notify State board that no payments will be made pursuant to the Vocational Education Act to that State when that State's plan does not comply with the provisions of the Vocational Education Act. Any State dissatisfied with a final action of the Commissioner may appeal to the U.S. Court of Appeals. Procedures for such appeal are outlined, as under existing law.

Each State's allotment pursuant to various provisions of the Vocational Education Act will give priority to areas of particular need, as defined, to students of limited English-speaking ability, and the following general minimums are mandated: 10 percent for programs dealing with handicapped persons, 15 percent for programs dealing with other disadvantaged persons, 15 percent for programs for persons who have left high school and 5 percent for programs in states with high concentrations of people of limited English-speaking ability, as determined by the Commissioner.

Pursuant to Part A of the Vocational Education Act the Commissioner shall pay the states 50 percent of the cost of carrying out their annual program plans; 60 percent of the cost of programs for persons with special needs, as defined; 100 percent of the cost of programs for persons with special needs, as defined; and an amount equal to the Federal share for programs dealing with sex discrimination. The term 'Federal Share' is defined as 50 percent; except that in Fiscal Year 1978 it shall be 85 percent, and in Fiscal Year 1979 it shall be 70 percent. The term 'administration' is defined. Maintenance of effort requirements are outlined for states or institutions receiving funds pursuant to the Vocational Education Act, and the Commissioner is authorized to waive these requirements under certain circumstances.

Part B of the Vocational Education Act is divided into two subparts. Subpart 7 authorizes the Commissioner to make grants to States according to an allotment formula for the purpose of providing vocational guidance and counseling services, including cooperative programs with community groups and agencies, to individuals of all ages. State's participation in this program will submit a proposed allotment of funds with their annual program plan. $25,000,000 are authorized for Fiscal Year 1978 rising to $75,000,000 by Fiscal Year 1982, for purposes of this subpart.

Subpart 2 of part B authorizes the Commissioner to make grants to State institutions of higher education, agencies, or boards for the purpose of improving the qualifications of persons serving in vocational education programs by enrolling potential leaders in advanced study programs. $55,000,000 are authorized for Fiscal Year 1978 rising to $81,000,000 by Fiscal Year 1982 for the purposes of this subpart.

With these funds the Commissioner shall make grants to train or retrain teachers, train or retrain guidance personnel, provide for exchange programs, provide funds for graduate study as leadership development awards, and provide funds to institutions which carry out leadership development programs.

Part C of the Vocational Education Act is divided into two subparts. Subpart 1 authorizes the Commissioner to make grants to State Local Educational Agencies, institutions of higher education, and other public and private agencies in order to develop and disseminate exemplary and innovative programs. Minimum allotments of $200,000 are provided for each State. $25,000,000 are authorized for Fiscal Year 1978 which yearly sum will rise to $75,000,000 by Fiscal Year 1982. Priority in funding will be given to projects dealing with areas with high concentrations of unemployed, persons with limited English speaking ability, persons with physical or social handicaps, and programs to reduce sex stereotyping. Grants or contracts pursuant to this subpart will conform with the State annual program plan and will serve the needs of students enrolled in non-profit private schools.

Subpart 2 of Part C authorizes the Commissioner to make grants, after consultation with the National Advisory Council on Vocational Education, to institutions of higher education, and other public and private agencies to develop and disseminate vocational education materials for new and changing occupations, to overcome sex bias, to coordinate materials put out by Federal agencies, and to train personnel in curriculum development.

Part D of the Vocational Education Act, relating to student programs, is divided into two subparts. Subpart 1 authorizes the Commissioner to allot funds to each State, according to a formula based on population figures, for the compensation of students employed in work-study programs approved as part of the States annual program plan. For the purposes of this subpart $45,000,000 are appropriated for Fiscal Year 1978, such yearly sum rising to $60,000,000 by Fiscal Year 1981 and thereafter. A certain amount of each State's allotment under this subpart is set aside to pay for the development of the work study portion of the annual program plan.

Subpart 2, part D, enables the Commissioner to make grants to States to establish and operate programs of cooperative vocational education related to students' occupational and educational objectives. For the purposes of this subpart $25,000,000 are allocated for Fiscal Year 1978, which yearly sum rises to $50,000,000 by Fiscal Year 1982. Funds appropriated pursuant to this subpart will be allocated to the States according to a formula based upon population statistics. States participating in this program shall set forth in their annual program plan a proposed allotment of funds among Local Education Agencies.

Part E of the Vocational Education Act authorizes $25,000,000 in Fiscal Year 1978, $50,000,000, in Fiscal Year 1979, $75,000,000 in Fiscal Year 1980 and $100,000,000 in Fiscal Year 1981 to enable the Commissioner to make grants for a limited period of time to local educational agencies to modernize facilities and equipment. Local educational agencies wishing to participate in this program shall submit an application therefore, through the state board, which shall describe the state of existing facilities and equipment, the work to be done with the Federal grant, any funds which may be available to match Federal monies and an explanation of where the reconstruction and renovation or conversion of facilities will fit into the State long-range plan. The Commissioner will rank applications according to need, and he will pay up to 75 percent of the cost of such projects as he approves. In extreme cases, the 75 percent requirement may be waived and the Federal share may be 100 percent of the project cost.

Part F of the Vocational Education Act authorizes $50,000,000 in Fiscal Year 1978 which yearly sum rises to $80,000,000 by Fiscal Year 1982, for the purpose of assisting the States to prepare males and females for the occupation of homemaking, including consumer education. States wishing to participate in this program shall set forth, in their annual program plan, a proposed allocation of funds. The Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under Part A of the Vocational Education Act. One third of the funds made available under this part shall be allocated to areas with high rates of unemployment.

Part G of the Vocational Education Act authorizes $5,000,000 for Fiscal Year 1978, and $10,000,000 for each Fiscal Year thereafter. From these funds the Commissioner is authorized, after consultation and coordination with the Secretary of the Interior and the Administrator of the Energy Research and Development Administration, to make grants to postsecondary institutions to carry out programs for the training of persons in the field of coal mining and coal mine technology. The Commissioner shall pay the entire cost of such programs and shall give priority to applications from institutions in States having a special need for such programs.

Part H of the Vocational Education Act authorizes $65,000,000 for Fiscal Year 1978 which yearly sum rises to $100,000,000 by Fiscal Year 1982. 50 percent of the sums appropriated under this part will be used by the Commissioner to make grants to, or enter into contracts with institutions of higher education and public and private agencies for vocational education research, training, experimentation, and demonstration; especially in new or emerging fields of occupation. From the sums not otherwise reserved the Commissioner shall allot to each State an amount which bears the same ratio to such remainder as the State's allotment under part A of the Vocational Education Act. The alloted funds shall be used for projects of research, training, experimentation and disseminating of vocational education programs and information. All project applications to the Commissioner shall be independently reviewed.

Part 1 of the Vocational Education Act authorizes $5,000,000 for Fiscal Year 1978 and thereafter. The Commissioner is authorized to make grants with such sums as are appropriated pursuant to this part to support activities which show promise of overcoming sex stereotyping and bias in vocational education. The Federal share of each project funded shall be 75 percent.

Part J of the Vocational Education Act authorizes $40,000,000 for Fiscal Year 1978, which yearly sum rises to $80,000,000 for Fiscal Year 1980 and thereafter. 65 per cent of the funds appropriated pursuant to this part shall be used by the Commissioner to make grants to and enter into contracts with State Agencies, local educational agencies, and various institutions to support programs for persons who are in need of bilingual vocational training programs, including fellowships and traineeships. 10 per cent of the funds appropriated pursuant to this part shall be used by the Commissioner to make grants and enter into contracts with States, educational institutions, and other organizations to assist them in developing instructional material, methods, or techniques, including research and experimentation. Conditions are outlined for the composition of applications.

Part K of the Vocational Education Act, dealing with several general provisions, states the definitions for a number of terms used in the Vocational Education Act. Authorizing language for the National Advisory Council on Vocational Education is also included, and the Council is authorized through the period covered by the Vocational Education Act, to enable the Council to hire such technical personnel as it deems necessary. Furthermore, such sums are authorized as may be necessary to carry out the activities for which the Council has responsibility. A special evaluation is mandated. This study will examine the operation of programs pursuant to the Vocational Education Act in at least the States; and the Commissioner will transmit such report, with recommendations based thereon to the Congress annually.

TITLE III—EXTENSIONS AND REVISIONS OF OTHER RELATED EDUCATION PROGRAMS

Part A—Extension and Revision of Programs

SECTION 301. EXTENSION OF THE EMERGENCY INSURED STUDENT LOAN ACT OF 1969

The Emergency Insured Student Loan Act, authorizing the Commissioner to pay holders of eligible student loans under part B, title IV, Higher Education Act, a special allowance under certain conditions, is reauthorized through Fiscal Year 1982.

SECTION 302. IMPROVED DETERMINATION OF SPECIAL ALLOWANCE UNDER THE EMERGENCY STUDENT LOAN ACT OF 1969

The Emergency Insured Student Loan Act, described above, is amended by the addition of a new section. The new language establishes a Committee on the Process of Determining Student Loan Special Allowances which shall meet to propose regulations concerning the determination of the special allowance to be paid each quarter to holders of eligible student loans. Such proposals will be submitted to the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor, which shall come into agreement with the Committee on the substance of the proposed regulations. Upon such coming into agreement, the regulations shall become effective. Additional changes in the Act are made to make this conform with existing law, and to emphasize that the special allowance will be paid promptly.

SECTION 303. EXTENSIONS OF TITLE III OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

Title III of the National Defense Education Act; dealing with financial assistance for strengthening instruction in science, mathematics, modern foreign languages, and other critical subjects, is reauthorized through Fiscal Year 1982. Funding is maintained at the current level.

SECTION 304. EXTENSION AND REVISION OF TITLE VI OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

Title VI of the National Defense Education Act; dealing with financial assistance to develop language area centers and programs, is reauthorized through Fiscal Year 1982. Funding is maintained at the current level.

New language authorizes the Secretary to make grants for the construction of facilities for model intercultural programs.

Section 305. The International Education Act, a program to provide grants to institutions for various programs of international study, is reauthorized through Fiscal Year 1982. Funding is maintained at present levels.

PART B—OTHER EDUCATION PROGRAMS

SECTION 321. EXTENSION OF THE EMERGENCY SCHOOL AID ACT

The Emergency School Aid Act, a financial assistance program to assist elementary schools with minority group programs, is reauthorized through Fiscal Year 1979. Funding is maintained at the present level. A further $100,000,000 is authorized for section 708(a), dealing with special programs and projects; furthermore, this authorization will not be covered by the allotment formula for the Act.

The provisions of this section shall take effect for Fiscal Year 1976.

SECTION 322. EXTENSION OF THE ALLEN J. ELLENDER FELLOWSHIP PROGRAM

The Program to provide fellowships to increase the understanding of the Federal Government among secondary school students, teachers, and the communities they represent is extended through Fiscal Year 1982 at an authorization of $750,000 for Fiscal Year 1977 rising to $1,000,000 by Fiscal Year 1979 and each of the three succeeding fiscal years.

SECTION 323. MAINTENANCE OF EFFORT

Title IV of the Elementary and Secondary Education Act (Libraries, Learning Resources, Educational Innovation, and Support) is amended by eliminating the requirement that the maintenance of effort provision apply to the aggregate of State and local expenditures, and making the provision apply to the second preceding fiscal year. Private schools are also required to maintain their effort.

TheAdult Education Act is amended to relate maintenance of effort to preceding fiscal years.

The General Education Provisions Act is amended to allow the Commissioner, in prescribing regulations for Title IV and Adult Education, to determine the amount expended on the basis of per pupil expenditure and to prescribe the maintenance of effort requirement met if the amount expended in the preceding fiscal year was not less than 95% of the amount spent in the second preceding fiscal year. If neither of these requirements are met, the Commissioner shall reduce the amount of the Federal payment by the percentage the amount expended was less than 100%. In addition, the Commissioner may waive so much of the maintenance of effort requirements of Title IV and the Adult Education Act as he determines equitable to reflect exceptional circumstances, including those resulting from decreasing enrollments or fiscal resources. The amendment, except for the portion relating to nonpublic schools, is retroactive to July 1, 1975.

SECTION 324. PARTICIPATION OF NONPUBLIC SCHOOL CHILDREN

Title IV of the Elementary and Secondary Education Act, relating to Libraries, Learning Resources, Innovation, and Support, is amended to allow the Commissioner to waive the statutory requirement for participation of nonpublic school children, wherr he has determined that a State or local educational agency has substantially failed to provide for such participation and he has arranged for the provision of such services to such children.

SECTION 325. SCHOOL ATTENDANCE AREAS FOR AID TO ELEMENTARY AND SECONDARY SCHOOLS

The Elementary and Secondary Education Act is amended to authorize grants for programs for children previously in school in areas having high concentrations of children from low-income families transferred to a school outside of such an area as a result of a desegregation order.

SECTION 326. WOMEN'S EDUCATIONAL EQUITY

The Woman's Educational Equity Act of the Education Amendments of 1974 is amended. The advisory council is renamed the National Advisory Council, and the council is enabled to make such reports as are deemed necessary to the President and Congress and to disseminate information concerning the activities of the Council.

SECTION 327. WAYNE MORSE CHAIR OF LAW AND POLITICS

The Commissioner is authorized to provide financial assistance to establish the Wayne Morse Chair of Law at the University of Oregon of Eugene. The Federal share of the cost of establishing this chair shall not exceed two thirds. The Commissioner may require the manner of application to be used to receive this assistance. $500,000 is authorized until expended, for the purposes of this section.

TITLE IV—EDUCATION ADMINISTRATION

SECTION 401. REORGANIZATION OF THE EDUCATION DIVISION

All education programs in the Education Division are placed under the Authority of the Commissioner who is promoted to level III of the Executive Schedule. The Commissioner shall replace the Assistant Secretary, whose office is repealed, and the day-to-day operation of the Office of Education will be taken care of by a new Administrative Deputy Commissioner. Appropriate changes in existing law are made to accommodate this reorganization. The provisions of this section will take effect on January 1, 1977.

SECTION 402. FUND FOR IMPROVEMENT OF POSTSECONDARY EDUCATION

Section 404 of the General Education Provisions Act, authorizing the Fund for the Improvement of Postsecondary Education, is extended through Fiscal Year 1982.

SECTION 403. NATIONAL INSTITUTE OF EDUCATION

Authorizing language for the National Institute of Education is amended to include a new statement of objectives for the Institute which emphasize basic skills and technical assistance to educational institutions. Language concerning the National Council on Educational Research is amended to make the terms of members conform with the new fiscal year, and a majority of members will now constitute a quorum.

The Director of the Institute is authorized to establish and maintain fellowships in the Institute. New language mandates that 25 per cent of appropriated funds be made available for contracts with laboratories and centers. Certain priorities are given for laboratory and center projects, and a Panel for the Review of Laboratory and Center Operations is established. $500,000,000 is authorized for the aggregate period October 1, 1976 through September 30, 1979. A such sums authorization is provided for the years thereafter until October 1, 1982.

SECTION 404. REGULATIONS

Section 431 of the General Education Provisions Act is amended to strike out "standard, rule, regulation, general requirement or guidance "where such words appear and to replace them with regulation(s)," "proposal regulation," or "final regulation(s)".

SECTION 405. TECHNICAL REVISION RELATING TO PROHIBITION AGAINST FEDERAL CONTROL

This is perfecting language to section 432 of the General Education Provisions Act.

TITLE V—CAREER DEVELOPMENT AND GUIDANCE AND COUNSELING PROGRAMS

PART A—CAREER EDUCATION AND CAREER DEVELOPMENT

SECTION 501. STATEMENT OF CONGRESSIONAL FINDINGS

This is a new title. The Congress finds that career education is a major purpose of education.

SECTION 502. PURPOSE

The purpose of this title, as stated, is to assist States to develop and conduct career education and career development programs including training, instruction, analysis and reporting.

SECTION 503. AUTHORIZATION OF APPROPRIATIONS

There are authorized $25,000,000 for Fiscal Year 1978, which yearly sum rises to $75,000,000 by Fiscal Year 1982. 10% or $2,000,000 of appropriated funds shall be reserved for administration. The remaining money will be allotted among the States, according to a formula based on population figures. Appropriated funds will pay for only a portion of the cost of the projects included.

SECTION 504. PROGRAM ADMINISTRATION

This title shall be administered by the Office of Career Education.

SECTION 505. USE OF FUNDS

States wishing to participate in this title shall submit an annual plan for the operation of programs pursuant to the title and shall designate a State agency responsible for the implementation of such plan.

SECTION 506. CAREER INFORMATION

75% of the funds spent on administration shall be used by the Commissioner to provide for the handling of information related to career development in America, the analysis of career funds, publications and the conduct of seminars. The Commissioner shall make use of existing agencies whenever possible.

SECTION 507. NATIONAL ADVISORY COUNCIL

The National Advisory Council for Career Education shall advise the Commissioner regarding the implementation of this title.

Part B—Guidance and Counseling

SECTION 511. FINDINGS

Congress finds that guidance and counseling is an essential part of education.

SECTION 512. APPROPRIATIONS AUTHORIZED

$20,000,000 are appropriated for Fiscal Year 1978 and for each fiscal year thereafter through Fiscal Year 1982.

SECTION 513. ADMINISTRATION

An administrative unit within the Education Division shall be established by the Commissioner to carry out the provisions of this section, including information dissemination, advising and coordinating. 10% of the funds appropriated pursuant to this part may be used for this administration.

SECTION 514. PROGRAM AUTHORIZED

The Commissioner is authorized to make grants and enter into contracts with educational agencies and institutions to assist them in conducting work shops and seminars for counselors, supervisory and technical personnel. Grants for the coordination of State programs are also authorized.

Changes in Existing Law

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter printed in italic):

Part III—Higher Education Programs

HIGHER EDUCATION ACT OF 1965

TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

[APPROPRIATIONS AUTHORIZED

[Sec. 101. For the purpose of assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities, there are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1972, $30,000,000 for the fiscal year ending June 30, 1973, $40,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975.]

STATEMENT OF PURPOSE

SEC. 101. It is the purpose of this title to—

(1) assist the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities; and

(2) assist all people of the United States, regardless of previous education or training, sex, age, handicapping condition, social or ethnic background, or economic circumstances, to improve their personal well-being, to upgrade their workplace skills, and to participate more fully in the civic, cultural, and political life of the Nation, by making available a wide range of opportunities for lifelong learning, including postsecondary continuing education.

APPROPRIATIONS AUTHORIZED

SEC. 102. (a) There are authorized to be appropriated—

(1) $40,000,000 for the fiscal year 1977 and for each of the succeeding fiscal years ending prior to October 1, 1982, for the purpose of carrying out the provisions of parts A and B of this title, of which not less than 75 per centum of the first $20,000,000 appropriated in any fiscal year shall be available only to carry out part A; and

(2) $40,000,000 for the fiscal year 1977 and for each of the succeeding fiscal years ending prior to October 1, 1982, for the purpose of carrying out the provisions of part C of this title, subject to the provisions of subsection (b) of this section.

(b) For any fiscal year in which the appropriation under clause (2) of subsection (a) is—

(1) $5,000,000 or less the sum appropriated shall be available only for the purpose of carrying out section 133;

(2) more than $5,000,000 but not more than $10,000,000, the excess over $5,000,000 shall be available only for carrying out the provisions of section 134, of which 5 per centum shall be available for clause (3) of section 134;

(3) in excess of $10,000,000, the excess shall be available as the Commissioner may prescribe for carrying out the provisions of section 133 or section 134, of which 2½ per centum shall be available for clause (3) of section 134.

PART A—COMMUNITY SERVICES PROGRAMS; AND

DEFINITION OF COMMUNITY SERVICE PROGRAM

SEC. **[**102.**]** *111.* For purposes of this **[**title**]** *part*, the term "community service program" means an educational program, activity, or service, including a research program and a university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, where the institution offering such program, activity, or service determines—

(1) that the proposed program, activity, or service is not otherwise available, and

(2) that the conduct of the program or performance of the activity or service is consistent with the institution's over-all educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where course offerings are involved, such courses must be university extension or continuing education courses and must be—

(A) fully acceptable toward an academic degree, or

(B) of college level as determined by the institution offering such courses.

ALLOTMENTS TO STATES

SEC. [103.] *112.* (a) From the sums appropriated pursuant to [section 101] *section 102* (a) for any fiscal year which are not [reserved under section 106(a).[1]] *allotted under section 121, or reserved under section 115 or section 122* the Commissioner shall allot $25,000 each to Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands and $100,000 to each of the other States, and he shall allot to each State an amount which bears the same ratio to the remainder of such sums as the population of the State bears to the population of all States.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appropriated pursuant to section 101 shall be deemed part of its allotment under subsection (a) for such year.

(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing community service programs under this title. If it is found by the Commissioner that the programs with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

(d) The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

USES OF ALLOTTED FUNDS

SEC. [104.] *113.* A State's allotment under [section 103] *section 112* may be used, in accordance with its State plan approved under [section 105(b)] *section 114(b)*, to provide new, expanded, or improved community service programs.

STATE PLANS

SEC. [105.] *114.* (a) Any State desiring to receive its allotment of Federal funds under this [title] *part* shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs, and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purpose of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this [title] *part* shall be in such detail as the Commissioner deems necessary and shall—

(1) provide that the agency or institution so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

(2) set forth a comprehensive, coordinated, and statewide system of community service programs under which funds paid to the State (including funds paid to an institution pursuant to [section 107(c)] *section 141(c)*) under its allotments under section 103 will be expended solely for community service programs which have been approved by the agency or institution administering the plan (except that if a comprehensive, coordinated, and statewide system of community service programs cannot be effectively carried out by reason of insufficient funds, the plan may set forth one or more proposals for community service programs in lieu of a comprehensive, coordinated, statewide system of such programs);

(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective community service programs;

(B) to the availability of and need for community service programs among the population within the State; and

(C) to the results of periodic evaluations of the programs carried out under this [title] *part* in the light of information regarding current and anticipated community problems in the State;

(4) set forth policies and procedures designed to assure that Federal funds made available under this [title] *part* will be so used as not to supplant State or local funds, or funds of institutions of higher education, but to supplement and, to the extent practicable, to increase the amounts of such funds that would in the absence of such Federal funds be made available for community service programs;

(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this [title] *part*; and

(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this [title] *part* and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

SPECIAL PROGRAMS AND PROJECTS RELATING TO NATIONAL AND REGIONAL PROBLEMS

SEC. [106] *115.* (a) The Commissioner is authorized to reserve from the sums appropriated pursuant to [section 101] *section 102(a) and available for this part* for any fiscal year an amount not in excess of 10 per centum of the sums so appropriated for that fiscal year for grants pursuant to subsection (b).

(b)(1) From the sums reserved under subsection (a), the Commissioner is authorized to make grants to, and contracts with, institutions of higher education (and combinations thereof) to assist them in carrying out special programs and projects, consistent with the purposes of this title, which are designed to seek solutions to national and regional problems relating to technological and social changes and environmental pollution.

(2) No grant or contract under this section shall exceed 90 per centum of the cost of the program or project for which application is made.

Part B—Postsecondary Continuing Education Programs

STATE GRANTS FOR CONTINUING EDUCATION PROGRAMS

Sec. 121. (a) The Commissioner is authorized to make grants under this section to States to pay the Federal share of the cost of the development and support of postsecondary continuing education programs, including the replication and expansion of successful postsecondary continuing education programs of demonstrated educational success.

(b) Any State desiring to receive a grant under this section shall file a supplement to its State plan submitted under section 114 which shall include—

(1) a description of the State's proposed program for the development and support of continuing education programs, and for the replication and expansion of successful continuing education programs;

(2) the designation of a State agency to administer the program;

(3) a description of the manner in which institutions of higher education will participate in the State's program, including assurances that all institutions of higher education in the State, including public and private four-year colleges and universities and community and junior colleges, have been given an opportunity to participate in the development of the State plan;

(4) a description of the adult population which can be expected to benefit from the program;

(5) a description of the procedures to be used to select and evaluate programs and projects to be replicated or expanded, or both under the State's program; and

(6) such additional assurances as the Commissioner may reasonably require.

(c)(1) Any State having a supplement to the State plan is approved under this section shall be eligible to receive an amount which bears the same ratio to all of funds available for this section as the ratio of the total adult population of that State bears to the total adult population of all States which have supplements to State plans approved under this section (A) except that no State shall be eligible to receive less than one-half of 1 per centum of the sums appropriated for the fiscal year for which the determination is made; and (B) the total amount allotted to Guam, American Samoa, the Virgin Islands, and the Trust Territories of the Pacific Islands shall not exceed 1 per centum of the sum appropriated for the fiscal year for which the determination is made.

(2) For purposes of this section the term—

(A) 'State' includes the District of Columbia and the Commonwealth of Puerto Rico except that for the purpose of clause (B) of subsection (c)(1) the term 'State' does not include Guam, American Samoa, the Virgin Islands, and the Trust Territories of the Pacific Islands.

(B) 'total adult population' means the total population eighteen years of age or older, which shall be determined on the basis of the most recent satisfactory data available from the Department of Commerce.

(d) No grant under this section shall exceed 66⅔ per centum of the cost of the program described in the supplement to the State plan submitted under this section.

TECHNICAL ASSISTANCE AND ADMINISTRATION

SEC. 122. (a) The Commissioner is authorized to reserve not to exceed 10 per centum of the amount appropriated for any fiscal year pursuant to section 102(a)(1) in excess of $14,500,000 for the purpose of this section.

(b) From funds reserved under subsection (a) of this section, the Commissioner shall provide technical assistance to the States and to institutions of higher education. Such technical assistance shall—

(1) facilitate the establishment and operation of programs carried out under section 121;

(2) provide a nationwide exchange of information about successful continuing education programs;

(3) assist with the adaptation and adoption of methods and techniques which have proved successful in such other education programs; and

(4) assist with the improvement of planning and evaluation procedures.

(c)(1) In providing assistance for any programs which may affect postsecondary continuing education under this title, the Commissioner shall consider the effect of other postsecondary continuing education on that program, including—

(A) the development and support of research proposals and the assessment, application, and use of research results;

(B) the dissemination of information regarding innovative projects and the encouragement of the analysis of such information and the possible replication of such projects by professionals in education, administration, counseling, health, and other related fields;

(C) the retraining of professional personnel; and

(D) the policies of the Office of Education which affect part-time students in institutions of higher education.

(2) The Commissioner shall provide for coordination between postsecondary continuing education programs conducted by him with all other appropriate offices and agencies within the Office of Education, including such offices and agencies which administer vocational education programs, adult education programs, career education programs, and student and institutional assistance programs.

(3) The Commissioner shall also establish or designate a clearinghouse for information regarding postsecondary continuing education.

STATEWIDE PLANNING AND POSTSECONDARY CONTINUING EDUCATION

SEC. 123. (a) Each State which receives a grant under section 121 of this title may allot up to 10 per centum of such grant to the agency *responsible under State law for comprehensive planning for postsecondary education, for the purpose of statewide planning for postsecondary continuing education.*

(b) Each State allotting funds pursuant to subsection (a) of this section shall conduct a program of comprehensive statewide planning for postsecondary continuing education in that State which shall include—

(1) a determination of the postsecondary continuing education needs of persons in the various regions and local communities in the State;

(2) a survey of the educational resources of institutions of higher education in the State and their ability to meet the needs determined under clause (1);

(3) advice to institutions of higher education of the State on unmet needs and unnecessary duplication of effort in postsecondary continuing education in the State; and

(4) preparation of a long-range comprehensive statewide plan for improved and expanded postsecondary continuing education opportunities and services for the adult population of the State, through institutions of higher education, which plan shall be submitted, not later than March 31, 1978, to the Commissioner for his review and comment and reviewed and amended at least annually thereafter.

(c) Each State which conducts a program of comprehensive statewide planning under this section shall—

(1) assure participation in the planning process of representatives of postsecondary educational institutions in the State, and of persons familiar with or knowledgeable about postsecondary continuing education;

(2) provide for coordination of planning under this part with planning within the State for vocational education and adult education; and

(3) provide for coordination between planning under this part, and the planning and administration by the State agency designated under section 114.

PART C—NATIONAL STRATEGY FOR LIFELONG LEARNING

FINDINGS AND PURPOSE

SEC. 131. (a) The Congress finds that—

(1) accelerating social and technological change have had impact on the duration and quality of life;

(2) the American people need lifelong learning to enable them to adjust to social, technological, political, and economic changes;

(3) lifelong learning has a role in developing the potentials of all persons including improvement of their personal, well-being, upgrading their workplace skills, and preparing them to participate in the civic, cultural, and political life of the Nation;

(4) lifelong learning is important in meeting the needs of the growing number of older and retired persons;

(5) learning takes place through formal and informal instruction, through educational programs conducted by public and pri-

vate educational and other institutions and organizations, through independent study, and through the efforts of business, industry, and labor;

(6) planning is necessary at the national, State, and local levels to assure effective use of existing resources in the light of changing characteristics and learning needs of the population; and

(7) more effective use should be made of the resources of the Nation's educational institutions, to assist the people of the United States in the solution of community problems in areas such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use.

(b) The Congress declares that it is the policy of the United States that—

(1) opportunities for lifelong learning shall be readily available to all persons without regard to previous education or training;

(2) considerations of sex, age, handicapping condition, social and ethnic background, or economic circumstance shall not restrict access to lifelong learning opportunities by any person;

(3) educational institutions shall be strengthened in order that they may assist the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use; and

(4) there shall be comprehensive planning and coordination at the National State, and local levels among agencies, organizations, and individuals concerned with and involved in providing lifelong learning opportunities in order to assure effective and efficient use of resources for meeting the learning needs of the Nation.

DEFINITION

SEC. 132. For the purpose of this part 'lifelong learning' means programs intended to affect the knowledge, skills, and attitudes of persons who have left the traditionally sequenced educational system. Such programs may be carried out through formal or informal educational processes and any project, activity, or service designed to serve the educational needs of adults throughout their lives. Lifelong learning includes, but is not limited to, adult basic education, continuing education, independent study, labor education, occupational education and job training programs, parent education, postsecondary education, preretirement and education for older and retired people, remedial education, special educational programs for groups or for individuals with special needs, and also includes educational activities designed—

(1) to upgrade occupational and professional skills;

(2) to assist business, public agencies, and other organizations in the adoption and the use of innovations and research results;

(3) to assist in solving public problems; and

(4) to serve family living needs and personal development.

PLANNING, ASSESSMENT, AND COORDINATION OF LIFELONG LEARNING ACTIVITIES

Sec. 133. (a) The Commissioner shall carry out, from funds appropriated pursuant to section 101(a)(2), a program of planning, assessing, and coordinating projects related to lifelong learning. In carrying out the provisions of this section, the Commissioner shall—

(1) foster improved coordination of Federal support for lifelong learning programs;

(2) act as a clearinghouse for information regarding lifelong learning, including the identification, collection, and dissemination to educators and the public of existing and new information regarding lifelong learning programs which are or may be carried out and supported by any department or agency of the Federal Government;

(3) review present and proposed methods of financing lifelong learning to determine—

(A) the extent to which each promotes lifelong learning,

(B) program and administrative features of each that contribute to serving the lifelong learning policy,

(C) the need for additional Federal support for lifelong learning, and

(D) procedures by which Federal assistance to lifelong learning may be better applied and coordinated to achieve the purposes of this title;

(4) review the lifelong learning opportunities provided through employers, unions, the media, libraries and museums, secondary schools and postsecondary educational institutions, and other public and private organizations to determine means by which the enhancement of their effectiveness and coordination may be facilitated;

(5) review existing major foreign lifelong learning programs and related programs in order to determine the applicability of such programs in this country;

(6) identify existing barriers to lifelong learning and evaluate programs designed to eliminate such barriers; and

(7) to the extent practicable, seek the advice and assistance of the agencies of the Education Division (including the Office of Education, the National Institute of Education, the Fund for the Improvement of Postsecondary Education, and the National Center for Education Statistics), other agencies of the Federal Government, public advisory groups (including the National Advisory Councils on Extension and Continuing Education, Adult Education, Career Education, Community Education, and Vocational Education), Commissions (including the National Commission on Libraries and Information Sciences and the National Commission on Manpower Policy), State agencies, and such other persons or organizations as may be appropriate, in carrying out the Commissioner's responsibilities, and make maximum use of information and studies already available.

The review required by clause (3) of this subsection shall include—

(i) a comparative assessment of domestic and foreign tax and other incentives to encourage increased commitment of business and labor;

(ii) a study of alternatives such as lifelong learning entitlement programs of educational vouchers designed to assist adults to undertake education or training in conjunction with, or in periods alternative, to employment;

(iii) review of possible modifications to existing Federal and State student assistance programs necessary to increase their relevance to the lifelong learning needs of all adults;

(iv) the organization and design of funding for pre- and post-retirement training and education for the elderly; and

(v) modifications to Federal and State manpower training, public employment, unemployment compensation, and similar funding programs so as better to facilitate lifelong education and training and retraining, for employment.

(b) In carrying out the provisions of this section the Commissioner shall issue reports sumarizing research and analysis conducted pursuant to this section, and shall develop the resources and capability to analyze and make recommendations regarding specific legislative or administrative proposals which may be considered by the President or by Congress.

ARRANGEMENTS WITH STATES AND PUBLIC AND PRIVATE AGENCIES

Sec. 134. In carrying out the provisions of this part the Commissioner is authorized—

(1) to enter into agreements with, and to make grants to or to enter into contracts with, appropriate State agencies—

(A) to assist in the planning and assessment, to determine whether in each State there is an equitable distribution of lifelong learning services to all segments of the adult population;

(B) to assist in assessing the appropriate roles for the Federal, State, and local governments, educational institutions and community organizations; and

(C) to assist in considering alternative methods of financing and delivering lifelong learning opportunities, including—

(i) identification of State agencies, institutions, and groups that plan and provide programs of lifelong learning,

(ii) determination of the extent to which programs are available geographically,

(iii) a description of demographic characteristics of the population served,

(iv) analysis of reasons for attendance in programs of lifelong learning,

(v) analysis of sources of funds for the conduct of lifelong learning programs, and the financial support of persons attending programs of lifelong learning;

(2) to make grants to and enter into contracts with public and nonprofit private agencies and organizations for projects for the development, testing, and demonstration of better ways to meet lifelong learning needs of adults, and for development of procedures for achieving joint and cooperative programs among all sponsors and providers of lifelong learning programs, including, but not limited to, projects for—

(A) research and development activities;

(B) training and retraining people to become educators of adults;

(C) development of curriculums and delivering systems appropriate to the needs of any such program;

(D) development of techniques and systems for guidance and counseling of adults, and for training and retraining of counselors;

(E) development and dissemination of instructional materials appropriate to adults;

(F) assessment of the educational needs and goals of older and retired persons and their unique contributions to lifelong learning programs; and

(G) planning, developing, and increasing the use of community learning resources by finding ways that combinations of agencies, institutions, and organizations can make better use of educational methods, communications technology, local facilities, and such human resources as will enable the provision of individualized learning opportunities for persons residing in the area being served; and

(3) to make grants and enter into contracts with institutions of higher education and with public and nonprofit private entities for the development and demonstration of ways to—

(A) increase the use of employer and union tuition assistance and other educational programs, educational and cultural trust funds and other similar educational benefits resulting from collective bargaining agreements, and other private funds for the support of lifelong learning;

(B) stimulate the integration of public and private educational funds which encourage participation in lifelong learning, including support of guidance and counseling of workers in order that they can make best use of funds available to them for lifelong learning opportunities; and

(C) encourage coordination within communities among educators, employers, labor organizations, and other appropriate individuals and entities to assure that lifelong learning opportunities are designed to meet projected career and occupational needs of the community, after consideration of the availability of guidance and counseling, the availability of information regarding occupational and career opportunities, and the availability of appropriate educational and other resources to meet the career and occupational needs of the community.

REPORTS

Sec. 135. (a) The Commissioner shall transmit to the President and to the Congress a report on such results from the activities conducted *pursuant to section 133 as may be completed by January 1, 1978, together with such legislative recommendations as he may deem appropriate. The Commissioner shall similarly report annually thereafter.*

(b) The Commissioner shall prepare and submit to the President and to the Congress within ninety days after the beginning of each fiscal year a report on the activities conducted pursuant to section 134, together with such recommendations as the Commission may deem appropriate.

PART D—GENERAL PROVISIONS

PAYMENTS

SEC. [107.] *141.* (a) (*1*) Except as provided in subsection (b), payment under *parts (A) and (B) of* this title shall be made to those State agencies and institutions which administer plans approved under [section 105(b)] *section 114(b) or section 121, or both.* Payments under *part A of* this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, 50 per centum of such costs for the fiscal year ending June 30, 1968, and 66⅔ per centum of such costs for fiscal year ending on or after June 30, 1969, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may be made to that State, or [$25,000] *$40,000*, whichever is the greater. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and continuing education programs not less than the total amount actually expended by those institutions for college and university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) is sought.

[(c) Payments to a State under this title may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both.]

(2) The Commissioner shall pay the cost of the program, project or activity for which the grant is made, or the contract or agreement is entered into, under part C of this title.

ADMINISTRATION OF STATE PLANS

SEC. [108.] *142* (a) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State agency or institution submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section [105(b)] *section 114(b) or section 121*, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section [105(a)] *section 114(a) or section 121*, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify the State agency or institution that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

JUDICIAL REVIEW

SEC. [109.] *143*. (a) If any State is dissatisfied with the Commissioner's final action with respect to the aproval of its State plan submitted under section [105(a)] *section 114 or section 121* or with his final action under section [108(b)] *section 142(b)*, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

SPECIAL PROGRAMS AND PROJECTS RELATING TO PROBLEMS OF THE ELDERLY

SEC. [110.] *144*. (a) The Commissioner is authorized to make grants to institutions of higher education (and combinations thereof) to assist such institutions in planning, developing, and carrying out, consistent with the purpose of this title, programs specifically designed to apply the resources of higher education to the problems of the elderly, particularly with regard to transportation and housing problems of elderly persons living in rural and isolated areas.

(b) For purposes of making grants under this section, there are authorized to be appropriated such sums as may be necessary for the fiscal year ending June 30, 1973, and each succeeding fiscal year ending prior to July 1, 1977.

(c) In carrying out the program authorized by this section, the Commissioner shall consult with the Commissioner of the Administration on Aging for the purpose of coordinating, where practicable, the programs assisted under this section with the programs assisted under the Older Americans Act of 1965.

NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION

Sec. **[**111.**]** *145.* (a) The President shall, within ninety days of enactment of this title, appoint a National Advisory Council on Extension and Continuing Education (hereafter referred to as the "Advisory Council"), consisting of the Commissioner, who shall be Chairman, one representative each of the Department of Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Office of Economic Opportunity, and of such other Federal agencies having extension education responsibilities as the President may designate, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve members shall, to the extent possible, include persons knowledgeable in the fields of extension and continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section **[**105 (b)**]** *section 114 and section 121*, and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering extension or continuing education activities and services.

(c) The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs, make recommendations with respect thereto, and make annual reports, commencing on March 31, 1967, of its findings and recommendations (including recommendations for changes in the provisions of this title and other Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

(f) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency. Subject to section 448(b) of the General Education Provisions Act, the Advisory Council shall continue to exist [through June 1975] *until the programs authorized by this title are terminated.*

RELATIONSHIP TO OTHER PROGRAMS

SEC. [112.] *146.* Nothing in this [title shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act) as amended (20 U.S.C. 11–15, 16–28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj, and 15aaa–15ggg); the Vocational Educational Act of 1963 (20 U.S.C. 35–35n); title VIII of the Housing Act of 1964 (Public Law 88–560); or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341–348] *section shall modify any authority under the Act of May 8, 1914 (Smith-Lever Act) as amended (7 U.S.C. 341–348).*

LIMITATION

SEC. [113.] *147.* No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity.

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

COLLEGE LIBRARY PROGRAMS; TRAINING; RESEARCH

SEC. 201. (a) The Commission shall carry out a program of financial assistance—

(1) to assist and encourage institutions of higher education in the acquisition of library resources, including law library resources, in accordance with part A; and

(2) to assist with and encourage research and training persons in librarianship, including law librarianship, in accordance with part B.

(b) For the purpose of making grants under part A and B, there are authorized to be appropriated [$75,000,000 for the fiscal year ending June 30, 1973, $85,000,000 for the fiscal year ending June 30, 1974, and $100,000,000 for the fiscal year ending June 30, 1975. Of the sums appropriated pursuant to the preceding sentence for any fiscal year, 70 per centum shall be used for the purposes of part A and 30 per centum shall be used for the purposes of part B, except that the amount available for the purposes of part B for any fiscal year shall not be less than the amount appropriated for such purposes for the fiscal year ending June 30, 1972.] *$100,000,000 for each fiscal year ending prior to October 1, 1982.*

Part C—Strengthening Research Library Resources

FINDINGS AND PURPOSE

Sec. 231. (a) The Congress finds that—

(1) education, scholarship, and research are significant to the scientific, economic, and cultural development of the Nation, and that steady advances in the social and natural sciences are essential to solve the problems of a complex society;

(2) the Nation's major research libraries are often an essential element in undergraduate education, and are essential to advanced and professional education and research; and

(3) the expansion in the scope of educational and research programs and the rapid increase in the worldwide production of recorded knowledge have placed unprecedented demands upon major research libraries, requiring programs and services that strain the capabilities of cooperative action and are beyond the financial competence of individual or collective library budgets.

(b) It is the purpose of this part to promote research and education of higher quality throughout the United States by providing financial assistance to major research libraries.

APPROPRIATIONS AUTHORIZED

Sec. 232. There are authorized to be appropriated $10,000,000 for the fiscal year 1977, $15,000,000 for fiscal year 1978, and $20,000,000 for each of the succeeding fiscal years ending prior to October 1, 1982, to enable the Commissioner to make grants to major research libraries in accordance with the provisions of this part.

ELIGIBILITY FOR ASSISTANCE

Sec. 233. For the purposes of this part, the term "major research library" means a public or private nonprofit institution, including the library resources of an institution of higher education, an independent research library, State or other public library, having library collections which are available to qualified users and which—

(1) make a significant contribution to higher education and research;

(2) are broadly based and are recognized as having national or international significance for scholarly research;

(3) are of a unique nature, and contain material not widely available; and

(4) are in substantial demand by researchers and scholars not connected with that institution.

(b) No institution receiving a grant under this part for any fiscal year may be eligible to receive a basic grant under section 202 of this title for that year.

EQUITABLE DISTRIBUTION OF ASSISTANCE

Sec. 234. The Commissioner shall establish criteria designed to achieve a reasonable regional balance in the allocation of funds under this part.

LIMITATIONS

Sec. 235. No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity.

CONSULTATION WITH STATE AGENCY

Sec. 236. Each institution receiving a grant under this part shall periodically inform the State library administrative agency, and the State agency, if any, concerned with the educational activities of all institutions of higher education in the State in which such institution is located, of its activities under this part.

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

AUTHORIZATION

Sec. 301. (a) The Commissioner shall carry out a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life.

(b) (1) For the purpose of carrying out this title, there are authorized to be appropriated $120,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1982.*

(2) Of the sums appropriated pursuant to this subsection for any fiscal year, 76 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

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TITLE IV—STUDENT ASSISTANCE

Part A—Grants to Students in Attendance at Institution of Higher Education

STATEMENT OF PURPOSE; PROGRAM AUTHORIZATION

Sec. 401. (a) It is the purpose of this part, to assist in making available the benefits of postsecondary education to qualified students in institutions of higher education by—

(1) providing basic educational opportunity grants (hereinafter referred to as "basic grants") to all eligible students;

(2) providing supplemental educational opportunity grants (hereinafter referred to as "supplemental grants") to those stu-

dents of exceptional need who, for lack of such a grant, would be unable to obtain the benefits of a postsecondary education;

(3) providing for payments to the States to assist them in making financial aid available to such students;

(4) providing for special programs and projects designed (A) to identify and encourage qualified youths with financial or cultural need with a potential for postsecondary education, (B) to prepare students from low-income families for postsecondary education, and (C) to provide remedial (including remedial language study) and other services to students; and

(5) providing assistance to institutions of higher education.

(b) The Commissioner shall, in accordance with subparts 1, 2, 3, 4 and 5, carry out programs to achieve the purposes of this part.

SUBPART 1—BASIC EDUCATIONAL OPPORTUNITIES GRANTS

BASIC EDUCATIONAL OPPORTUNITY GRANTS: AMOUNT AND DETERMINATION; APPLICATIONS

SEC. 411. (a)(1) The Commissioner shall, during the period beginning July 1, 1972, and ending **[**June 30, 1975**]** *September 30, 1982*, pay to each student who has been accepted for enrollment in, or is in good standing at, an institution of higher education (according to the prescribed standards, regulations, and practices of that institution) for each academic year during which that student is in attendance at that institution, as an undergraduate, a basic grant in the amount for which that student is eligible,* as determined pursuant to paragraph (2).

(2)(A)(i) The amount of the basic grant for a student eligible under this subpart for any academic year shall be **[**$1,400**]** *$1,800*, less an amount equal to the amount determined under paragraph (3) to be the expected family contribution with respect to that student for that year.

(ii) In any case where a student attends an institution of higher education on less than a full-time basis during any academic year, the amount of the basic grant to which that student is entitled shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis, in accordance with a schedule of reductions established by the Commissioner for the purposes of this division. Such schedule of reductions shall be established by regulation and published in the Federal Register not later than February 1 of each year.

(B)(i) The amount of a basic grant to which a student is entitled under this subpart for any academic year shall not exceed 50 per centum of the actual cost of attendance at the institution at which the student is in attendance for that year.

(ii) No basic grant under this subpart shall exceed the difference between the expected family contribution for a student and the actual cost of attendance at the institution at which that student is in attendance. If with respect to any student, it is determined that the amount of a basic grant plus the amount of the expected family con-

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**Effective for Academic year 1977–1978 and thereafter.*

tribution for that student exceeds the actual cost of attendance for that year, the amount of the basic grant shall be reduced until the combination of expected family contribution and the amount of the basic grant does not exceed the actual cost of attendance at such institution.

(iii) No basic grant shall be awarded to a student under this subpart if the amount of that grant for that student as determined under this paragraph for any academic year is less than $200. Pursuant to criteria established by the Commissioner by regulation, the institution of higher education at which a student is in attendance may award a basic grant of less than $200 upon a determination that the amount of the basic grant for that student is less than $200 because of the requirement of division (i) and that, due to exceptional circumstances, this reduced grant should be made in order to enable the student to benefit from postsecondary education.

(iv) For the purpose of this subparagraph and subsection (b) the term "actual cost of attendance" means, subject to regulations of the Commissioner, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Commissioner determines by regulation to be reasonably related to attendance at the institution at which the student is in attendance.

(3)(A)(i) Not later than February 1 of each year the Commissioner shall publish in the Federal Register a schedule of expected family contributions for the succeeding academic year for various levels of family income, which, except as is otherwise provided in division (ii), together with any amendments thereto, shall become effective July 1 of that year. During the thirty-day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule.

(ii) The schedule of expected family contributions required by division (i) for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than February 1 of that year. If either the Senate or the House of Representatives adopts, prior to May 1 of such year, a resolution of disapproval of such schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in connection with such resolution and shall become effective, together with any amendments thereto, on July 1 of that year.

(B)(i) For the purposes of this paragraph and subsection (b), the term "family contribution" with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his postsecondary education for the academic year for which the determination under subparagraph (A) of paragraph (2) is made, as determined in accordance with regulations. In promulgating such regulations, the Commissioner shall follow the basic criteria set forth in division (ii) of this subparagraph.

(ii) The basic criteria to be followed in promulgating regulations with respect to expected family contributions are as follows:

(I) The amount of the effective income of the student or the effective family income of the student's family.

(II) The number of dependents of the family of the student.

(III) The number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.

(IV) The amount of the assets of the student and those of the student's family.

(V) Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe.

(iii) For the purposes of clause (I) of division (ii), the term "effective family income" with respect to a student means the annual adjusted family income, as determined in accordance with regulations prescribed by the Commissioner, received by the parents or guardian of that student (or the person or persons having an equivalent relationship to such student) minus Federal income tax paid or payable with respect to such income.

(iv) In determining the expected family contribution with respect to any student, any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student, *shall be considered as effective family income* and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code, shall be considered as effective income for such student.

(C) The Commissioner shall promulgate special regulations for determining the expected family contribution and effective family income of a student who is determined (pursuant to regulations of the Commissioner) to be independent of his parents or guardians (or the person or persons having an equivalent relationship to such students). Such special regulations shall be consistent with the basic criteria set forth in division (ii) of subparagraph (B).

(4)(A) The period during which a student may receive basic grants shall be the period required for the completion of the undergraduate course of study being pursued by that student at the institution at which the student is in attendance, except that such period may not exceed four academic years unless—

(i) the student is pursuing a course of study leading to a first degree in a program of study which is designed by the institution offering it to extend over five academic years; or

(ii) the student is, or will be, unable to complete a course of study within four academic years because of a requirement of the institution of such course of study that the student enroll in a noncredit remedial course of study;

in either which case such period may be extended for not more than one additional academic year.

(B) For the purposes of clause (ii) of subparagraph (A), a "noncredit remedial course of study" is a course of study for which no credit is given toward an academic degree, and which is designed to increase the ability of the student to engage in an undergraduate course of study leading to such a degree.

(b)(1) The Commissioner shall from time to time set dates by which students must file applications for basic grants under this subpart.

(2) Each student desiring a basic grant for any year must file an application therefor containing such information and assurances as the Commissioner may deem necessary to enable him to carry out his functions and responsibilities under this subpart.

(3)(A) Payments under this section shall be made in accordance with regulations promulgated by the Commissioner for such purpose, in such manner as will best accomplish the purposes of this section.

(B)(i) If, during any period of any fiscal year, the funds available for payments under this subpart are insufficient to satisfy fully all entitlements under this subpart, the amount paid with respect to each such entitlement shall be—

(I) in the case of any entitlement which exceeds $1,000, 75 per centum thereof;

(II) in the case of any entitlement which exceeds $800 but does not exceed $1,000, 70 per centum thereof;

(III) in the case of any entitlement which exceeds $600 but does not exceed $800, 65 per centum thereof; and

(IV) in the case of any entitlement which does not exceed $600, 50 per centum thereof.

(ii) If, during any period of any fiscal year, funds available for making payments under this subpart exceed the amount necessary to make the payments prescribed in division (i), such excess shall be paid with respect to each entitlement under this subpart in proportion to the degree to which that entitlement is unsatisfied, after payments are made pursuant to division (i).

(iii) In the event that, at the time when payments are to be made pursuant to this subparagraph (B), funds available therefor are insufficient to pay the amounts set forth in division (i), the Commissioner shall pay with respect to each entitlement an amount which bears the same ratio to the appropriate amount set forth in division (i) as the total amount of funds so available at such time for such payments bears to the amount necessary to pay the amounts indicated in division (i) in full.

(iv) If, at the end of any fiscal year, funds available for making payments under this subpart have not been obligated, such funds shall remain available for making such payments for three months after the end of such fiscal year but payments may be made under this division only with respect to entitlements established for that fiscal year.

(v) No method of computing or manner of distribution of payments under this subpart shall be used which is not consistent with this subparagraph.

(vi) In no case shall a payment under this subparagraph be made if the amount of such payment after application of the provisions of this subparagraph is less than $50.

[(C)(i) During any fiscal year in which the provisions of subparagraph (B) apply, a basic grant to any student shall not exceed

50 per centum of the difference between the expected family contribution for that student and the actual cost of attendance at the institution in which the student is enrolled, unless sums available for making payments under this subsection for any fiscal year equal more than 75 per centum of the total amount to which all students are entitled under this subpart for that fiscal year, in which case no basic grant shall exceed 60 per centum of such difference.]

(ii) The limitation set forth in division (i) shall, when applicable, be in lieu of the limitation set forth in subparagraph (B)(i) of subsection (a)(2).

(4) No payments may be made on the basis of entitlements established under this subpart during any fiscal year ending prior to [July 1, 1975] *October 1, 1982*, in which—

(A) the appropriation for making grants under subpart 2 of this part does not at least equal $130,093,000; and

(B) the appropriation for work-study payments under section 441 of this title does not at least equal $237,400,000; and

(C) the appropriation for capital contributions to student loan funds under part E of this title does not at least equal $286,000,000.

(c) In addition to payments made with respect to entitlements under this subpart, each institution of higher education shall be eligible to receive from the Commissioner the payment of $15 per academic year for each student enrolled in that institution who is receiving a basic grant under this subpart for that year. Payment received by an institution under this subsection shall be used first to carry out the provisions of section 493A of this Act and then for such additional administrative costs as the institution of higher education determines necessary.

SUBPART 2—SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

PURPOSE; APPROPRIATIONS AUTHORIZED

SEC. 413A. (a) It is the purpose of this subpart to provide, through institutions of higher education, supplemental grants to assist in making available the benefits of postsecondary education to qualified students who, for lack of financial means, would be unable to obtain such benefits without such a grant.

(b)(1) For the purpose of enabling the Commissioner to make payments to institutions of higher education which have made agreements with the Commissioner in accordance with section 413C(b) for use by such institutions for payments to undergraduate students for the initial academic year of a supplemental grant awarded to them under this subpart, there are authorized to be appropriated $200,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1982*. Funds appropriated pursuant to this paragraph shall be appropriated separate from any funds appropriated pursuant to paragraph (2).

(2) In addition to the sums authorized to be appropriated by paragraph (1), there are authorized to be appropriated such sums as may be necessary for payment to institutions of higher education for use by such institutions for making continuing supplemental grants

under this subpart, except that no appropriation may be made pursuant to this paragraph for any fiscal year beginning more than three years after the last fiscal year for which an appropriation is authorized under paragraph (1). Funds appropriated pursuant to this paragraph shall be appropriated separate from any funds appropriated pursuant to paragraph (1).

(3) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions until the end of the fiscal year succeeding the fiscal year for which they were appropriated.

(4) For the purposes of this subsection, payment for the first year of a supplemental grant shall not be considered as an initial year payment if the grant was awarded for the continuing education of a student who—

(A) had been previously awarded a supplemental grant under this subpart (whether by another institution or otherwise), and

(B) had received payment for any year of that supplemental grant.

AMOUNT AND DURATION OF GRANTS

SEC. 413B. (a)(1) From the funds received by it for such purpose under this subpart, an institution which awards a supplemental grant to a student for an academic year under this subpart shall, for such year, pay to that student an amount determined pursuant to paragraph (2).

(2)(A)(i) The amount of the payment to any students pursuant to paragraph (1) shall be equal to the amount determined by the institution to be needed by that student to enable him to pursue a course of study at the institution, except that such amount shall not exceed—

(I) $1,500, or

(II) one-half the sum of the total amount of student financial aid provided to such student by such institution,

whichever is the lesser.

(ii) No student shall be paid during all the academic years he is pursuing his undergraduate course of study at one or more institutions of higher education in excess of $4,000 or in the case of any student to whom the provisions of subsection (b)(1)(B) apply, $5,000.

(iii) For the purposes of clause (II) of division (i), the term "student financial aid" includes assistance payments to the student under subpart 1 of this part and parts C and E of this title, and any assistance provided to a student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulations, shall be deemed to be aid provided such student by the institution.

(B) If the amount determined under division (i) of subparagraph (A) with respect to a student for any academic year is less than $200, no payment shall be made to that student for that year.

(C) Subject to subparagraphs (A) and (B), the Commissioner shall prescribe, for the guidance of institutions, basic criteria and schedules for the determination of the amount of need to be determined under division (i) of subparagraph (A). Such criteria and schedules shall take into consideration the objectives of limiting assistance under this subpart to students of financial need, and such other factors related to determining the need of students for financial assistance as the Commissioner deems relevant but such criteria or schedules shall not disqualify an applicant on account of his earned income if income from other sources in the amount of such earned income would not disqualify him.

(b)(1)(A) A student eligible for a supplemental grant may be awarded such a grant under this subpart for each academic year of the period required for completion by the recipient of his undergraduate course of study in the institution of higher education from which he received such grant.

(B) A student may not receive supplemental grants under this subpart for a period of more than four academic years, except that in the case of a student—

(i) who is pursuing a course of study leading to a first degree in a program of study which is designed by the institution offering it to extend over five academic years, or

(ii) who is because of his particular circumstances determined by the institution to need an additional year to complete a course of study normally requiring four academic years,

such period may be extended for not more than one additional academic year.

(2) A supplemental grant awarded under this subpart shall entitle the student to whom it is awarded to payments pursuant to such grant only if—

(A) that student is maintaining satisfactory progress in the course of study he is pursuing, according to the standards and practices of the institution awarding the grant, and

(B) that student is devoting at least half-time to that course of study, during the academic year, in attendance at that institution.

Failure to be in attendance at the institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines, in accordance with regulations, that there is good cause for his nonattendance, shall not render a student ineligible for a supplemental grant; but no payments may be made to a student during any such period of failure to be in attendance or period of nonattendance.

SELECTION OF RECIPIENTS; AGREEMENTS WITH INSTITUTIONS

SEC. 413C. (a)(1) An individual shall be eligible for the award of a supplemental grant under this subpart by an institution of higher education which has made an agreement with the Commissioner pursuant to subsection (b), if the individual makes application at the time and in the manner prescribed by that institution, in accordance with regulations of the Commissioner.

(2) From among those who are eligible for supplemental grants through an institution which has an agreement with the Commissioner under subsection (b) for each fiscal year, the institution shall, in accordance with such agreement under subsection (b), and within the amount allocated to the institution for that purpose for that year under section 413D(b) select individuals who are to be awarded such grants and determine, in accordance with section 413B, the amounts to

be paid to them. An institution shall not award a supplemental grant to an individual unless it determines that—

(A) he has been accepted for enrollment as an undergraduate student at such institution or, in the case of a student already attending such institution, is in good standing there as an undergraduate;

(B) he shows evidence of academic or creative promise and capability of maintaining good standing in this course of study;

(C) he is of exceptional financial need; and

(D) he would not, but for a supplemental grant, be financially able to pursue a course of study at such institution.

For the purposes of clause (C) of this paragraph, in determining financial need, the expected family contribution shall be considered to be the contribution expected in the specific circumstances of the student as determined by the student financial aid officer at the institution in accordance with criteria promulgated by the Commissioner. Any calculation of the ability of a family to contribute shall include consideration of (i) family assets which should reasonably be available for such purpose, (ii) the number of children in the family, (iii) the number of children attending institutions of higher education, (iv) any catastrophic illness in the family, (v) any educational expenses of other dependent children in the family, and (vi) other circumstances affecting the student's financial need.

(b) An institution of higher education which desires to obtain funds for supplemental grants under this subpart shall enter into an agreement with the Commissioner. Such agreement shall—

(1) provide that funds received by the institution under this subpart will be used by it solely for the purposes specified in, and in accordance with, the provisions of this subpart and of section 463;

(2) provide that, in determining whether an individual meets the requirements of clause (C) of paragraph (2) of subsection (a), the institution will—

(A) consider the source of such individual's income and that of any individual or individuals upon whom he relies primarily for support, and

(B) make appropriate review of the assets of the student and of such individuals;

(3) provide that the institution, in cooperation with other eligible institutions where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need, and to encourage them to continue their education beyond secondary school through such programs and activities as—

(A) establishing or strengthening close working relationships with secondary school principals and guidance and counseling personnel, with a view toward motivating students to complete secondary school and to pursue postsecondary school educational opportunities, and

(B) making, to the extent feasible, conditional commitments for student financial aid by such institution to qualified secondary school students, who but for such grants would be unable to obtain the benefits of higher education, with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

(4) provide that the institution will meet the requirements of section **[464]** *494*;

(5) include provisions designed to make grants under this subpart reasonably available, to the extent of available funds, to all eligible students in attendance at the institution;

(6) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this subpart.

APPORTIONMENT AND ALLOCATION OF FUNDS

SEC. 413D. (a)(1)(A) From 90 per centum of the sums appropriated pursuant to section 413A(b)(1) for any fiscal year, the Commissioner shall apportion to each State an amount which bears the same ratio to such sums as the number of persons enrolled full-time and the full-time equivalent of the number of persons enrolled part time in institutions of higher education in such State bears to the total number of such persons in all the States. The remainder of the sums so appropriated shall be apportioned among the States by the Commissioner in accordance with equitable criteria which he shall establish and which shall be designed to achieve a distribution of the sums so appropriated among the States which will most effectively carry out the purpose of this subpart, except that where any State's apportionment under the first sentence for a fiscal year is less than its allotment under the first sentence of section 401(b) of this Act for the fiscal year ending June 30, 1972, before he makes any other apportionments under this sentence, the Commissioner shall apportion sufficient additional sums to such State under this sentence to make the State's apportionment for that year under this paragraph equal to its allotment for the fiscal year ending June 30, 1972, under such first sentence. Sums apportioned to a State under the preceding sentence shall be consolidated with, and become a part of, its apportionment from the same appropriation under the first sentence of this paragraph.

(B) If the Commissioner determines that the sums apportioned to any State under subparagraph (A) for any fiscal year exceed the aggregate of the amounts that he determines to be required under subsection (b) for that fiscal year for institutions of higher education in that State, the Commissioner shall reapportion such excess, from time to time, on such date or dates as he shall fix, to other States in such manner as the Commissioner determines will best assist in achieving the purposes of this subpart.

(2) Sums appropriated pursuant to section 431A(b)(2) for any fiscal year shall be apportioned among the States in such manner as the Commissioner determines will best achieve the purposes for which such sums were appropriated.

(b)(1)(A) The Commissioner shall, from time to time, set dates before which institutions in any State must file applications for allocation, to such institutions, of supplemental grant funds from the apportionment to that State (including any reapportionment thereto) for any fiscal year pursuant to subsection (a)(1).

(B)(i) From the sums apportioned (or reapportioned) to any State, the Commissioner shall allocate amounts to institutions which have submitted applications pursuant to subparagraph (A).

(ii) Allocations under division (i) by the Commissioner to such institutions shall be made in accordance with equitable criteria established by the Commissioner by regulation. Such criteria shall be designed to achieve such distribution of supplemental grant funds among such institutions within a State as will most effectively carry out the purposes of this subpart.

(2) The Commissioner shall, in accordance with regulations, allocate to such institutions in any State, from funds apportioned or reapportioned pursuant to subsection (a)(2), funds to be used as the supplemental grants specified in section 413A(b)(2).

(3) Payments shall be made from allocations under this subsection as needed.

Subpart 3—Grants to States for State Student Incentives

PURPOSE; APPROPRIATIONS AUTHORIZED

Sec. 415A. (a) It is the purpose of this subpart to make incentive grants available to the States to assist them in providing grants to eligible students in attendance at institutions of higher education.

(b)(1) There are hereby authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to **[**July 1, 1975**]** *October 1, 1982* for payments to the States for grants to students who have not previously been awarded such grants.

(2) In addition to the sums authorized to be appropriated pursuant to paragraph (1), there is authorized to be appropriated such sums as may be necessary for making payments to States to continue their grants to students made with incentive grants received by such States for previous years pursuant to paragraph (1), *and to make bonus allotments to States pursuant to section 415F.*

(3) Sums appropriated pursuant to paragraph (1) for any fiscal year shall remain available for payments to States for the award of student grants under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.

(4) For the purposes of this subsection, a payment on the first year of a student grant with respect to any student who has not been awarded a grant from appropriations pursuant to paragraph (1) during any previous year shall be considered, subject to regulations of the Commissioner, an initial award to be paid from appropriations pursuant to paragraph (1).

ALLOTMENT AMONG STATES

Sec. 415B. (a)(1)(A) From the sums appropriated pursuant to section 415A(b)(1) for any fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the number of students in attendance at institutions of higher education in such State bears to the total number of such students in such attendance in all the States.

(B) For the purposes of this paragraph, the number of students in attendance at institutions of higher education in a State and in all the States shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for the State student grant incentive program of that State shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such part for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this part during a year from funds appropriated pursuant to section 415A(b)(1) shall be deemed part of its allotment under paragraph (1) for such year.

[Sums**]** *Subject to the provisions of section 415E, sums* appropriated pursuant to section 415(A)(b)(2) for any fiscal year shall be allotted among the States in such manner as the Commissioner determines will best achieve the purposes for which such sums were appropriated.

(c) The Commissioner shall make payments for continuing incentive grants only to those States which continue to meet the requirements of section 415C(b) (1), (2), (3), and (5).

APPLICATIONS FOR STATE STUDENT INCENTIVE GRANT PROGRAMS

SEC. 415C. (a) A State which desires to obtain a payment under this subpart for any fiscal year shall submit an application therefor through the State agency administering its program of student grants, at such time or times, and containing such information as may be required by, or pursuant to, regulation for the purpose of enabling the Commissioner to make the determinations required under this subpart.

(b) From a State's allotment under this subpart for any fiscal year the Commissioner is authorized to make payments to such State for paying 50 per centum of the amount of student grants pursuant to a State program which——

(1) is administered by a single State agency;

(2) provides that such grants will be in amounts not in excess of $1,500 per academic year for attendance on a full-time basis as an undergraduate at an institution of higher education;

(3) provides for the selection of recipients of such grants on the basis of substantial financial need determined annually on the basis of criteria established by the State and approved by the Commissioner;

(4) provides that if the non-Federal portion of such grants in that State is less than 150 per centum of the Federal payment to that State made under this subpart, effective with respect to fiscal

years beginning after September 30, 1976, in awarding student grants, there shall be no differentiation between students based on whether the student pursues his study within the State or outside the State;

(5) *provides that, effective with respect to fiscal years beginning after September 30, 1976, all nonprofit institutions of higher education in the State are eligible to participate in the State program;*

(6) provides for the payment of the non-Federal portion of such grants from funds supplied by such State which represent an additional expenditure for such year by such State for grants for students attending institutions of higher education over the amount expended by such State for such grants, if any, during the second fiscal year preceding the fiscal year in which such State initially received funds under this subpart; and

(7) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State agency under this subpart, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this subpart.

(c) Upon his approval of any application for a payment under this subpart, the Commissioner shall reserve from the applicable allotment (including any applicable reallotment) available therefor, the amount of such payment, which (subject to the limits of such allotment or reallotment) shall be equal to the Federal share of the cost of the student incentive grants covered by such application. The Commissioner shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as he may determine. The Commissioner's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of the student grants with respect to which such reservation was made, and in the event of an upward revision of such estimated cost approved by him he may reserve the Federal share of the added cost only from the applicable allotment (or reallotment) available at the time of such approval.

ADMINISTRATION OF STATE PROGRAMS; JUDICIAL REVIEW

SEC. 415D. (a)(1) The Commissioner shall not finally disapprove any application for a State program submitted under section 415C, or any modification thereof, without first affording the State agency submitting the program reasonable notice and opportunity for a hearing.

(2) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering a State program approved under this subpart, finds—

(A) that the State program has been so changed that it no longer complies with the provisions of this subpart, or

(B) that in the administration of the program there is a failure to comply substantially with any such provisions, the Commissioner shall notify such State agency that the State will not be regarded as eligible to participate in the program under this subpart until he is satisfied that there is no longer any such failure to comply.

(b)(1) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State program submitted under this subpart or with his final ateion under subsection (a), such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

(2) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(3) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United State upon certiorari or certification as provided in title 28, United States Code, section 1254.

BONUS ALLOTMENT FOR STATE STUDENTS INCENTIVE GRANT PROGRAMS

SEC. 415E. (a)(1) Whenever the sum appropriated purusant to this subpart for any fiscal year is in excess of $50,000,000 but less than $[100,000,000,] *200,000,000*, the Commissioner shall allot 50 per centum of such sum to each State having an agreement under section 428(b) an amount which bears the same ratio to such sum as the number of students in attendance at institutions of higher education in such State bears to the total number of students in such attendance in all such States.

(2) Whenever the sum appropriated pursuant to this subpart for any fiscal year is $[100,000,000] *200,000,000* or more, the Commissioner shall allot such sum to each State having an agreement under section 428(b) an amount which bears the same ratio to such sum as the number of students in attendance at institutions of higher education in such State bears to the total number of such students in such attendance in all such States.

SUBPART 4—SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

PROGRAM AUTHORIZATION

SEC. 417A. (a) The Commissioner shall, in accordance with the provisions of this subpart, carry out a program designed to identify qualified students from low-income families, to prepare them for a program of postsecondary education, and to provide special services for such students who are pursuing programs of postsecondary education.

(b) For the purpose of enabling the Commissioner to carry out this subpart, there are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975, *and $200,000,000 for each of the fiscal years ending prior to October 1, 1982.*

AUTHORIZED ACTIVITIES

Sec. 417B. (a) The Commissioner is authorized (without regard to section 3709 of the Revised Statues (41 U.S.C. 5)) to make grants to, and contracts with, institutions of higher education, including institutions with vocational and career education programs, combinations of such institutions, public and private agencies and organizations (including professional and scholarly associations), and, in exceptional cases, secondary schools and secondary vocational schools, for planning, developing, or carrying out within the States one or more of the services described in section **[**417(a)**]** *subsection (b) of this section.*

(b) Services provided through grants and contracts under this subpart shall be specifically designed to assist in enabling youths from low-income families who have academic potential, but who may lack adequate secondary school preparation or who may be physically handicapped, to enter, continue, or resume a program of postsecondary education, including—

(1) programs, to be known as "Talent Search" designed to—

(A) identify qualified youths of financial or cultural need with an exceptional potential for postsecondary educational training and encourage them to complete secondary school and undertake postsecondary educational training, *especially such youths who have delayed pursuing postsecondary educational training,*

(B) publicize existing forms of student financial aid, including aid furnished under this title, and

(C) encourage secondary-school or college dropouts of demonstrated aptitude to reenter educational programs, including postsecondary-school programs;

(2) programs, to be known as "Upward Bound", (A) which are designed to generate skills and motivation necessary for success in education beyond high school and (B) in which enrollees from low-income backgrounds and with inadequate secondary-school preparation participate on a substantially full-time basis during all or part of the program;

(3) programs, to be known as "Special Services for Disadvantaged Students", of remedial and other special services for students with academic potential (A) who are enrolled or accepted for enrollment at the institution which is the beneficiary of the grant or contract, and (B) who, (i) by reason of deprived educational, cultural, or economic background, or physical handicap, are in need of such services to assist them to initiate, continue, or resume their postsecondary education or (ii) by reason of limited English-speaking ability, are in need of bilingual educational

teaching, guidance, and counseling in order to enable them to pursue a postsecondary education: [and]

(4) a program of paying up to 75 per centum of the cost of establishing and operating Educational Opportunity Centers which—

(A) serve areas with major concentrations of low-income populations by providing, in coordination with other applicable programs and services—

(i) information with respect to financial and academic assistance available for persons in such areas desiring to pursue a program of postsecondary education;

(ii) assistance to such persons in applying for admission to institutions, at which a program of postsecondary education is offered, including preparing necessary applications for use by admission and financial aid officer; and

(iii) counseling services and tutorial and other necessary assistance to such persons while attending such institutions; and

(B) serve as recruiting and counseling pools to coordinate resources and staff efforts of institutions of higher education and of other institutions offering programs of postsecondary education, in admitting educationally disadvantaged persons.

The portion of the cost of any project assisted under clause (4) in the preceding sentence which is borne by the applicant shall represent an increase in expenditure by such applicant for the purposes of such project[.] *; and*

(5) programs to be known as special focus programs designed to assist students who desire postsecondary education but are disadvantaged because of backgrounds of severe rural isolation and programs to prepare students for particular careers in which disadvantaged individuals are substantially underrepresented; and

(6) a program of paying up to 90 per centum of the costs of establishing and operating or expanding service learning centers at institutions of higher education and other postsecondary educational institutions serving a substantial number of disadvantaged students which—

(a) will provide remedial and other special services for students who are enrolled or accepted for enrollment at that institution, and

(b) will serve, as a concentrated effort, to coordinate and supplement the ability of that institution to furnish such services to such students. Before making a grant or entering into a contract under clause (6) of the first sentence the Commissioner may require any institution subject to such a contract or grant to submit an application containing or accompanied by such information, including the ability of that institution to pay the non-Federal share of the costs of the project to be assisted, as he deems appropriate.

(c) Enrollees who are participating on an essentially full-time basis in one or more services being provided under this

section may be paid stipends, but not in excess of $30 per month except in exceptional cases as determined by the Commissioner.

(d) Recipients of grants or contracts for the purposes of clause (3)(ii) of subsection (b) shall include in their curriculum a program of English language instruction for students of limited English-speaking ability.

(e) In making grants or entering into contracts under clause (1) or (6) of subsection (b) of this section the Commissioner may permit students or youths from other than low-income families not to exceed one-third of the total served to benefit by the projects to be assisted pursuant to that grant or contract.

(f)(1) The Commissioner is authorized to enter into contracts with institutions of higher education and other appropriate public agencies and nonprofit private organizations to provide training for staff and leadership personnel who desire to specialize in improving the delivery of services to disadvantaged students assisted under this subpart.

(2) Financial assistance under this subsection may be used for (A) internships and exemplary programs for personnel engaged or likely to engage in assisting educationally or culturally disadvantaged students in successfully pursuing postsecondary educational objectives, (B) the operation of short-term training institutes designed to improve the skills of participants in such institutes, and (C) the development of in-service training programs for such personnel.

(g)(1) The Commissioner is authorized to provide grants to institutions of higher education for the purpose of awarding fellowships, in accordance with the provisions of this section, for study in graduate programs for individuals who plan to pursue a career involving assistance to students from disadvantaged backgrounds. In making grants under this subsection, the Commissioner shall give priority to institutions of higher education awarding fellowships for (A) developing instructional and leadership personnel in the area of developmental skills at the postsecondary educational level and (B) developing guidance and counseling personnel specifically trained to address the unique needs of disadvantaged and first-generation students in assisting them to pursue successfully postsecondary education.

(2) For the fiscal year 1977, not less than one hundred fellowships shall be awarded under paragraph (1) of this subsection. For the fiscal year 1978 and for each of the fiscal years ending prior to October 1, 1982, the number of fellowships shall be determined by the Commissioner after a consideration of a survey of the need for such personnel by the National Center for Postsecondary Opportunity.

(h) It is the intention of the Congress to encourage, whenever feasible, the development of individualized programs for disadvantaged students assisted under this subpart.

NATIONAL CENTER FOR POSTSECONDARY OPPORTUNITY

Sec. 417C. (a) In order to meet the crucial need for national leadership and coordination in programs for assistance of students from disadvantaged backgrounds, the Commissioner shall establish or designate within the Office of Education a National Center for Postsecondary Opportunity. The Center shall—

(1) coordinate and evaluate programs under sections 417A and 417B,

(2) identify and assess innovative and effective programs, practices, and curriculums designed to assist disadvantaged students, and other students whose backgrounds do not include support for postsecondary education, in achieving a postsecondary education,

(3) gather and disseminate information regarding effective and exemplary activities for such students,

(4) furnish technical assistance and other assistance in the development of training programs for staff personnel engaged in assisting such students,

(5) assist in the development of effective evaluation of special programs for such students, and

(6) provide a forum for individuals to discuss issues relating to the improvement of special services for such students.

Subpart 5—Educational Outreach

PROGRAM AUTHORIZATION

Sec. 418A. (a) The Commissioner shall, in accordance with the provisions of this subpart, make grants to States to pay the Federal share of the cost of planning, establishing, and operating of Educational Outreach Centers to provide educational outreach, guidance, counseling, information, referral and placement services for all individuals, including individuals residing in rural areas, within a reasonable distance from their homes.

(b)(1) For the purpose of enabling the Commissioner to carry out this subpart, there are authorized to be appropriated $20,000,000 for the fiscal year ending September 30, 1977, $30,000,000 for the fiscal year ending September 30, 1978, and $40,000,000 for each of the succeeding fiscal years ending prior to October 1, 1982.

(2) The Commissioner shall allocate funds appropriated in each year under this subpart to each State submitting a plan approved under section 418B in proportion to the number of residents from each such State who received or are expected to receive a basic educational opportunity grants authorized by subpart 1 of this title in the fiscal year for which the determination is made, except that for each fiscal year no State which submitted an approved plan shall receive less than $50,000 for that year. In making allocations under this paragraph, the Commissioner shall use the latest available actual data, including data on previous participation, which is satisfactory to him.

(c) The Federal share of the cost of planning, establishing, and operating Educational Outreach Centers for any fiscal year under this subpart shall be 75 per centum, and the non-Federal share may be in cash or in kind.

(d) For the purposes of this subpart, the term 'Educational Outreach Center' means an institution or agency, or combination of institutions or agencies, organized to provide services to a population in a geographical area no greater than that which will afford all persons within the area reasonable access to the services of the Center. Such services shall include—

(1) outreach and talent search services designed to seek out and encourage participation in full-time and part-time postsecondary education or training of persons who could benefit from such education or training if it were not for cultural or financial barriers, physical handicap, deficiencies in secondary education, or lack of information about available programs or financial assistance;

(2) information and referral services to persons within the area served by the Center, including such services with regard to—

(A) postsecondary education and training programs in the region and procedures and requirements for applying and gaining acceptance to such programs;

(B) available Federal, State, and other financial assistance, including information on procedures to be followed in applying for such assistance;

(C) available assistance for job placement or gaining admission to postsecondary education institutions offering professional, occupational, technical, vocational, work-study, cooperative education, or other programs designed to prepare persons for careers, or for retraining, continuing education, or upgrading of skills;

(D) competency-based learning opportunities, including opportunities for testing of existing competencies for the purpose of certification, awarding of credit, or advance placement in postsecondary education programs;

(3) guidance and counseling service designed to assist persons from the area served by the Center to identify postsecondary education or training opportunities, including part-time opportunities for individuals who are employed, appropriate to their needs and in relationship to each individual's career plans; and

(4) remedial or tutorial services designed to prepare persons for entry to postsecondary education or training programs, and including such services provided to persons enrolled in postsecondary education institutions within the area served by the Center. Services may be provided by a Center either directly or by way of contract or other agreement with agencies and institutions within the area to be served by the Center.

(e) Nothing in this subpart shall be construed to affect funds allocated to the establishment and operation of Educational Opportunity Centers for the disadvantaged pursuant to section 417B(b)(4) of this part.

ADMINISTRATION OF STATE PROGRAMS

SEC. 418B. (a) Each State receiving a grant under this part is authorized in accordance with its State plan submitted pursuant to subsection (b) of this section, to make grants to, and contracts with, *institutions of higher education, including institutions with vocational and career education programs, and combinations of such institutions, public and private agencies and organizations, and local education agencies in combination with any institution of higher education, for planning, establishing, and operating Educational Outreach Centers within the State.*

(b) Any State desiring to receive a grant under this subpart shall submit for the approval of the Commissioner a State plan, which shall include—

(1) a comprehensive strategy for establishment or expansion of Educational Outreach Centers, designed to achieve the goal, within a reasonable period of time, of making available within reasonable distance to all residents of the State the services of an Educational Outreach Center;

(2) assurances concerning the source and availability of State, local, and private funds to meet the non-Federal share of the cost of the State plan required by paragraph (2) of subsection (a) of this section; and

(3) such other provisions as the Commissioner may reasonably require.

SUBPART *6* **[**5**]**—ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION [1]

PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION

SEC. 419. (a) Each institution of higher education shall be entitled for each fiscal year to a cost-of-education payment in accordance with the provisions of this section.

(b)(1) The amount of the cost-of-education payment to which an institution shall be entitled under this section for a fiscal year shall be, subject to subsection (d), the amount determined under paragraph (2)(A) plus the amount determined under paragraph (2)(B).

(2)(A)(i) The Commissioner shall determine the amount to which an institution is entitled under this subparagraph on the basis of the total number of undergraduate students who are in attendance at the institution and the number of students who are also recipients of basic grants under subpart 1, in accordance with the following table:

If the total number of students in attendance is—	The amount of the grant is—
Not over 1,000	$500 for each recipient.
Over 1,000 but not over 2,500	$500 for each of 100 recipients; plus $400 for each recipient in excess of 100.
Over 2,500 but not over 5,000	$500 for each of 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each recipient in excess of 250.
Over 5,000 but not over 10,000	$500 for each 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each of 250 recipients in excess of 250; plus $200 for each recipient in excess of 500.
Over 10,000	$500 for each of the 100 recipients; plus $400 for each of 150 recipients in excess of 100; plus $300 for each of 250 recipients in excess of 250; plus 200 for each of 500 recipients in excess of 500; plus $100 for each recipient in excess of 1,000.

(ii) In any case where a recipient of a basic grant under subpart 1 attends an institution receiving a cost-of-education payment under this subpart on less than a full-time basis, the amount determined under this subparagraph with respect to that student shall be reduced in proportion to the degree to which that student is not attending on a full-time basis.

(iii) If during any period of any fiscal year the funds available for making payments on the basis of entitlements established under this subparagraph are insufficient to satisfy fully all such entitlements, the amount paid with respect to each such entitlement shall be ratably reduced. When additional funds become available for such purpose, the amount of payment from such additional funds shall be in proportion to the degree to which each such entitlement is unsatisfied by the payments made under the first sentence of this division.

(B)(i) The Commissioner shall determine with respect to each institution an amount equal to the appropriate per centum (specified on the table below) of the aggregate of—

(I) supplemental educational opportunity grants under subpart 2;

(II) work-study payments under part C; and

(III) loans to students under part E;

made for such year to students who are in attendance at such institution. The Commissioner shall determine such amounts on the basis of percentages of such aggregate, and the number of students in attendance at institutions during the most recent academic year ending prior to such fiscal year, in accordance with the following table:

If the number of students in attendance at the institution is—	The percentage of such aggregate shall be—
Not over 1,000	50 per centum.
Over 1,000 but not over 3,000	46 per centum.
Over 3,000 but not over 10,000	42 per centum.
Over 10,000	38 per centum.

(ii) If during any period of any fiscal year the funds available for making payments on the basis of entitlements established under this subparagraph are insufficient to satisfy fully all such entitlements, the amount paid with respect to each such entitlement shall be ratably reduced. When additional funds become available for such purpose, the amount of payment from such additional funds shall be in proportion to the degree to which each such entitlement is unsatisfied by the payments made under the first sentence of this division.

(3)(A) In determining the number of students in attendance at institutions of higher education under this subsection, the Commissioner shall compute the full-time equivalent of part-time students.

(B) The Commissioner shall make a separate determination of the number of students in attendance at an institution of higher education and the number of recipients of basic grants at any such institution at each branch or separate campus of that institution located in a different community from the principal campus of that institution pursuant to criteria established by him.

(c)(1) An institution of higher education may receive a cost-of-education payment in accordance with this section only upon application therefor. An application under this section shall be submitted at such time or times, in such manner, and containing such information as the Commissioner determines necessary to carry out his functions under this title, and shall—

(A) set forth such policies, assurances, and procedures as will insure that—

(i) the funds received by the institution under this section will be used solely to defray instructional expenses in academically related programs of the applicant;

(ii) the funds received by the institution under this section will not be used for a school or department of divinity or for any religious worship or sectarian activity;

(iii) the applicant will expend, during the academic year for which a payment is sought, for all academically related programs of the institution, an amount equal to at least the average amount so expended during the three years preceding the year for which the grant is sought; and

(iv) the applicant will submit to the Commissioner such reports as the Commissioner may require by regulation; and

(B) Contain such other statement of policies, assurances, and procedures as the Commissioner may require by regulation in order to protect the financial interests of the United States.

(d)(1) The Commissioner shall pay to each institution of higher education for each fiscal year the amount to which it is entitled under this section.

(2) Of the total sums appropriated to make payments on the basis of entitlements established under this section and on the basis of entitlements of established part F of title IX—

(A) 45 per centum shall be available for making payments on the basis of entitlements established under paragraph (2)(A) of subsection (a);

(B) 45 percentum shall be available for making payments on the basis of entitlements established under paragraph (2)(B) of subsection (a); and

(C) 10 per centum shall be available for making payments on the basis of entitlement established under part F of title IX.

(3) No payments on the basis of entitlements established under paragraph (2)(A) of subsection (a) may be made during any fiscal year for which the appropriations for making grants under subpart 1 does not equal at least 50 per centum of the appropriation necessary for satisfying the total of all entitlements established under such subpart. In no event shall, during any fiscal year, the aggregate of the payments to which this paragraph applies exceed that percentage of the total entitlements established under such paragraph (2)(A) which equals the percentage of the total entitlements established under subpart 1 which are satisfied by appropriations for such purpose for that fiscal year.

VETERANS' COST-OF-INSTRUCTION PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION

SEC. 420. (a)(1) During the period beginning July 1, 1972, and ending **[**June 30, 1975.**]** *September 30, 1982* each institution of higher education shall be entitled to a payment under, and in accordance with, this section during any fiscal year if—

(A) the number of persons who are veterans receiving vocational rehabilitation under chapter 31 of title 38, United States Code, or veterans receiving educational assistance under chapter 34 of such title, and who are in attendance as undergraduate students at such institution during any academic year, equals at least—

(i) 110 per centum of the number of such recipients who were in attendance at such institution during the preceding academic year, or

(ii) 10 per centum of the total number of undergraduate students in attendance at such institution during such academic year and if such number does not constitute a per centum of such undergraduate students, which is less than such per centum for the preceding academic year; and

(B) the number of such persons is at least 25.

(2) During the period specified in paragraph (1), each institution which has qualified for a payment under this section for any year shall be entitled during the succeeding year, notwithstanding paragraph (1), to a payment under and in accordance with this section, if the number of persons referred to in such paragraph (1) equals at least the number of such persons who were in attendance at such institution during the preceding academic year or equals at least the minimum number of such persons necessary to establish eligibility to entitlement under paragraph (1) during the preceding academic year, whichever is less. Each institution which is entitled to a payment for any fiscal year by reason of the preceding sentence shall be deemed, for the purposes of any such year succeeding the year for which it is so entitled, to have been entitled to a payment under paragraph (1) during the preceding fiscal year.

(3) During the period beginning July 1, 1976, and ending September 30, 1977, each institution which has qualified for payment under this section for the preceding year shall be entitled during such period, notwithstanding paragraph (1), to a payment under this section, if the number of persons referred to in such paragraph (1) equals whichever is the lesser of (A) at least the number of such persons who were in attendance at such institution during the preceding academic year less the number of such persons whose eligibility for educational assistance under chapter 34 of title 38, United States Code, expired on May 31, 1976, by virtue of section 1662(c) of such title, or (B) at least the minimum number of such persons necessary to establish eligibility to entitlement under paragraph (1) during the preceding academic year less the number of such persons whose eligibility for educational assistance under chapter 34 of title 38, United States Code, expired on May 31, 1976, by virtue of section 1662(c) of such title.

(b)(1) The amount of the payment to which any institution shall be entitled under this section for any fiscal year shall be—

(A) $300 for each person who is a veteran receiving vocational rehabilitation under chapter 31 of title 38, United States Code, or a veteran receiving educational assistance under chapter 34 of such title 38, and who is in attendance at such institution as an undergraduate student during such year; and

(B) in addition, $150, except in the case of persons on behalf of whom the institution has received a payment in excess of $150 under section 419, for each person who has been the recipient of educational assistance under subchapter V or subchapter VI of chapter 34 of such title 38, and who is in attendance at such institution as an undergraduate student during such year.

(2) In any case where a person on behalf of whom a payment is made under this section attends an institution on less than a full-time basis, the amount of the payment on behalf of that person shall be reduced in proportion to the degree to which that person is not attending on a full-time basis.

(c)(1) An institution of higher education shall be eligible to receive the payment to which it is entitled under this section only if it makes application therefor to the Commissioner. An application under this section shall be submitted at such time or times, in such manner, in such form and containing such information as the Commissioner determines necessary to carry out his functions under this title, and shall—

(A) meet the requirements set forth in clauses (A) and (B) of section 419(c)(1);

(B) set forth such plans, policies, assurances, and procedures as will insure that the applicant will make an adequate effort—

(i) to maintain a full-time office of veterans' affairs which has responsibility for veterans' outreach, recruitment, and special education programs, including the provision of educational, vocational, and personal counseling for veterans,

(ii) to carry out programs designed to prepare educationally disadvantaged veterans for postsecondary education (I) under subchapter V of chapter 34 of title 38, United States Code, and (ii) in the case of any institution located near a military installation, under subchapter VI of such chapter 34,

(iii) to carry out active outreach (*with special emphasis on educationally disadvantaged veterans*), recruiting, and counseling activities through the use of funds available under federally assisted work-study programs (*with special emphasis on the veteran-student services program under section 1685 of such title 38*), and

(iv) to carry out an active tutorial assistance program (including dissemination of information regarding such program) in order to make maximum use of the benefits available under section 1692 of such title 38,

except that an institution with less than 2,500 students in attendance (I) which the Commissioner determines, in accordance with regulations jointly prescribed by the Commissioner and the Administrator of Veterans' Affairs (hereinafter referred to as the "Administrator"), cannot feasibly itself carry out any or all of the programs set forth in subclauses (i) through (iv) of this clause, may carry out such program or programs through a consortium agreement with one or more other institutions of higher education, and (II) shall be required to carry out such programs only to the extent that the Commissioner determines, in accordance with regulations jointly prescribed by the Commissioner and the Administrator, is appropriate in terms of the number of veterans in attendance at such institution. The adequacy of efforts to meet the requirements of clause (B) in the preceding sentence shall be determined by the Commissioner, based upon the recommendation of the Administrator, in accordance with criteria established in regulations jointly prescribed by the Commissioner and the Administrator.

(2) The Commissioner shall not approve an application under this subsection unless he determines that the applicant will implement the requirements of clause (B) of paragraph (1) within the first academic year during which it receives a payment under this section.

(d)(1) The Commissioner shall pay to each institution of higher education which has had an application approved under subsection (c) the amount to which it is entitled under this section. Payments under this subsection shall be made in not less than three installments during each academic year and shall be based on the actual number of persons on behalf of whom such payments are made in attendance at the institution at the time of the payment.

(2) The maximum amount of payments to any institution of higher education, or any branch thereof which is located in a community which is different from that in which the parent institution thereof is located, in any fiscal year, shall be $135,000. In making payments under this section for any fiscal year, the Commissioner shall apportion the appropriation for making such payments, from funds which become available as a result of the limitation on payments set forth in the preceding sentence, in such a manner as will result in the receipt by each institution which is eligible for a payment under this section of first $9,000 (or the amount of its entitlement for that fiscal year, whichever is less) and then additional amounts up to the limitation set forth in the preceding sentence.

(e) Not less than 75 per centum of the amounts paid to any institution under subsection (d) in any fiscal year shall be used to implement the requirement of clause (B) (i) of paragraph (1) of subsection (c), and, to the extent that such funds remain after implementing such requirements, funds limited by such 75 per centum requirement shall be used for implementing the requirements of clauses (B) (ii), (iii), and (iv) of such paragraph (1), except that the Commissioner may, in accordance with criteria established in regulations jointly prescribed by the Commissioner with the Administrator, waive the requirement of this subsection to the extent that he finds that such institution is adequately carrying out all such requirements without the necessity for such application of such amount of the payments received under this subsection.

(f) The Commissioner, in carrying out the provisions of this section, shall seek to assure the coordination of programs assisted under this section with programs carried out by the Veterans' Administration pursuant to title 38 of the United States Code, and the Administrator of Veterans' Affairs shall provide all assistance, technical consultation, and information otherwise authorized by law as necessary to promote the maximum effectiveness of the activities and programs assisted under this section.

(g) The program provided for in this section shall be administered by an identifiable administrative unit in the Office of Education.

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SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 424. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 435) to students covered by Federal loan insurance under this part shall not exceed $1,400,000,000 for the fiscal year ending June 30, 1972, $1,600,000,000 for the fiscal year June 30, 1973, $1,800,000,000 for the fiscal year ending June 30, 1974, and $2,000,000,000 for the fiscal year ending June 30, 1975, *and each fiscal year ending prior to October 1, 1982.* Thereafter, Federal loan insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after **[**June 30, 1979**]** *September 30, 1986.*

(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

* * * * * * *

ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED STUDENT LOANS

SEC. 427. (a) A loan by an eligible lender shall be insurable by the Commissioner under the provisions of this part only if—

(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution; and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, **[**except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,**]**

(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid *or unless the student, during the nine-to-twelve-month period preceding the start of the repayment period, specifically requests that repayment be made over a shorter period*) nor more than ten years beginning not earlier than nine months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except (i) as provided in clause (C) below, (ii) that the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it,

[and] (iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made, *and (iv) that in the event a student has requested and obtained a repayment period of less than five years, he may at any time prior to the total repayment of the loan have the repayment period extended so that the total repayment period is not less than five years,*

(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an "eligible institution", (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, [or] (iv) not in excess of three years during which the borrower is in service as a full-time volunteer under [title VIII of the Economic Opportunity Act of 1964] *the Domestic Volunteer Service Act of 1973, or (v) not in excess of one year during which the borrower is unemployed* and any such period shall not be included in determining the ten-year period or the fifteen-year period provided in clause (B) above,

(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal,

(E) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part, and that the lender will enter into such agreements with the Commissioner as may be necessary for the purposes of section 437,

(F) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

(G) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2)(D) of subsection (a) may exceed 7 per centum per annum on the unpaid principal balance of the loan.

(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this part, or which are made by a State or the Commissioner under section 425(a)(1)(B) or 433, respectively, shall not be less than $360 or the balance of all of such loans (together with interest therein), whichever amount is less, *except that in the case of a husband and wife, both of whom have such loans outstanding, the total of the combined payments for such a couple during any year shall not be less than $360 or the balance of all such loans, whichever is less.*

(d) No borrower who is otherwise eligible for a loan insured by the Commissioner under this part shall be under legal disability, by reason of minority, to execute a note or other written agreement for that purpose, and no such note or other written agreement may be disavowed because of the minority of such borrower.

FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

Sec. 428. (a)(1) Each student who has received a loan for study at an eligible institution—

(A) which is insured by the Commissioner under this part;

(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (5); or

(C) which is insured under a program of a State or of a nonprofit private institution or organization which was contracted for, and paid to the student, within the period specified in paragraph (5), and which—

(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b)(1) and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b)(1)) at an eligible institution, or

(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b).

shall be entitled to have paid on his behalf and for his account to the holder of the loan a portion of the interest on such loan at the time of execution of the note or written agreement evidencing such loan under circumstances described in paragraph (2).

(2)(A) Each student qualifying for a portion of an interest payment under paragraph (1) shall—

(i) have provided to the lender a statement from the eligible institution, at which the student has been accepted for enrollment, or at which he is in attendance in good standing (as determined by such institution), which—

(I) sets forth such student's estimated costs of attendance and

(II) sets forth such student's estimated financial assistance; and

(ii) meet the requirements of subparagraph (B).

(B) For the purposes of clause (ii) of subparagraph (A), a student shall qualify for a portion of an interest payment under paragraph (1) if such student's adjusted family income—

(i) is less than $15,000, and—

(I) the amount of such loan would not cause the total amount of the student's loans insured by the Commissioner under this part or by a State or nonprofit private institution or organization which has an agreement under subsection (b) to exceed $2,000 in any academic year, or its equivalent, or

(II) the amount of such loan would cause the total amounts of the loans described in clause (I) of this subparagraph of that student to exceed $2,000 in any academic year or its equivalent, and the eligible institution has provided, with respect to the amount of such loans in excess of $2,000, the lender with a statement recommending the amount of such excess; or

(ii) is equal to or greater than **[**$15,000**]** *$25,000* and the eligible institution has provided the lender with a statement evidencing a determination of need and recommending a loan in the amount of such need.

(C) For the purposes of paragraph (1) and this paragraph—

(i) a student's estimated cost of attendance means, for the period for which the loan is sought, the tuition and fees applicable to such student together with the institution's estimate of other expenses reasonably related to attendance at such institution, including, but not limited to, the cost of room and board, reasonable commuting costs, and costs for books;

(ii) a student's estimated financial assistance means, for the period for which the loan is sought, the amount of assistance such student will receive under parts A, C, and E of this title, plus other scholarship, grant, or loan assistance; loan, (ii) except as provided in subsection (e) of this section, the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

(D) subject to paragraphs (C) and (K) of this paragraph and except as provided by subsection (e) of this section, provides that repayment of loans shall be in installments over a period of not less than five years *(unless the student, during the nine- to twelve-month period preceding the start of the repayment period, specifically requests* *that repayment be made over a shorter period*) nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, exception that (i) if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal fulltime academic workload as determined by the institution *and* (*ii*) *if a student has requested and obtained a repayment period of less than five years, he may at any time prior to the total repayment of the loan have the repayment period extended so that the total repayment period is not less than five years;*

(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 7 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);

(F) insures not less than 80 per centum of the unpaid principal of loans insured under the program;

(G) does not provide for collection of an excessive insurance premium;

(H) provides that the benefits of the loan insurance program will not be denied any student who is eligible for interest benefits under section 428(a)(1) and (2) except in the case of loans made by an instrumentality of a State or eligible institution;

(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution;

(J) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of a single State agency;

(K) provides that the total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are (i) insured under this part, or (ii) made by a State or the Commissioner under section 428(a)(1)(B) or 433, respectively, shall not be less than $360 or the balance of all such loans (together with interest thereon), whichever amount is less, *except that in the case of a husband and wife, both of whom have such loans outstanding the total of the combined payments for such a couple during any year shall not be less than $360 or the balance of all such loans, whichever is less;* and

(L) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid during any period (i) during which the borrower is pursuing a full-time course of study at an eligible institution, (ii) not in excess of three years during which the borrower is a member of the Armed Forces of the United States, (iii) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, [or] (iv) not in excess of three years during which the borrower is in service as a full-time volunteer under [title VIII of the Economic Opportunity Act of 1964] *the Domestic Volunteer Service Act of 1973, or* (*v*) *not in excess of one year during which the borrower is unemployed.*

(2) Such an agreement shall—

(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part, including such provisions as may be necessary for the purpose of section 437, and as are agreed to by the Commissioner and the State or nonprofit private organization or institution, as the case may be; and

(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(c)(1) The Commissioner may enter into a guaranty agreement with any State or any nonprofit private institution or organization with which he has an agreement pursuant to subsection (b), whereby the Commissioner shall undertake to reimburse it, under such terms and conditions as he may establish, in an amount equal to 80 per centum of the amount expended by it in discharge of its insurance obligation, incurred under its loan insurance program, with respect to losses (resulting from the default of the student borrower) on the unpaid balance of the principal (other than interest added to principal) of any insured loan with respect to which a portion of the interest (A) is payable by the Commissioner under subsection (a); or (B) would be payable under such subsection but for the borrower's lack of need. *Any State having entered into a guaranty agreement under this paragraph may elect to enter into a supplementary guaranty agreement under section 428A of this Act whereby the Commissioner shall undertake to reimburse the State, under such terms and conditions as he may establish, in an amount in excess of 80 per centum of the amount expended by it in discharge of its insurance obligation, incurred under its loan insurance program, with respect to such losses, as specified in such section 428A.*

(2) The guaranty agreement—

(A) shall set forth such administrative and fiscal procedures as may be necessary to protect the United States from the risk of unreasonable loss thereunder, to insure proper and efficient administration of the loan insurance program, and to assure that due diligence will be exercised in the collection of loans insured under the program;

(B) shall provide for making such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this subsection, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

(C) shall set forth adequate assurance that, with respect to so much of any loan insured under the loan insurance program as may be guaranteed by the Commissioner pursuant to this subsection, the undertaking of the Commissioner under the guaranty agreement is acceptable in full satisfaction of State law or regulation requiring the maintenance of a reserve;

(D) shall provide that if, after the Commissioner has made payment under the guaranty agreement pursuant to paragraph (1) of this subsection with respect to any loan, any payments are made in discharge of the obligation incurred by the borrower with respect to such loan (including any payments of interest accruing on such loan after such payment by the Commissioner), there shall be paid over to the Commissioner (for the deposit in the fund established by section 431) such proportion of the amounts of such paymentes as is determined (in accordance with regulations prescribed by the Commissioner) to represent his equitable share thereof, but shall not otherwise provide for subrogation of the United States to the rights of any insurance beneficiary: *Provided*, That, except as the Commissioner may otherwise by or pursuant to regulations provide, amounts so paid by a borrower on such a loan shall be first applied in reduction of principal owing on such loan; and

(E) may include such other provisions as may be necessary to promote the purposes of this part.

(3) To the extent provided in regulations of the Commissioner, a guaranty agreement under this subsection may contain provisions which permit such forbearance for the benefit of the student borrower as may be agreed upon by the parties to an insured loan and approved by the inusurer.

(4) For purposes of this subsection, the terms "insurance beneficiary" and "default" shall have the meanings assigned to them by section 430(e).

(5) In the case of any guaranty agreement entered into prior to September 1, 1969, with a State or nonprofit private institution or organization with which the Commissioner has in effect on that date an agreement pursuant to subsection (b) of this section, or section 9(b) of the National Vocational Student Loan Insurance Act of 1965, made prior to the date of enactment of this subsection, the Commissioner may, in accordance with the terms of this subsection, undertake to guarantee loans described in paragraph (1) which are insured by such State, institution, or organization and are outstanding on the date of execution of the guaranty agreement, but only with respect to defaults occurring after the execution of such guaranty agreement or, if later, after its effective date.

(d) No provision of any law of the United States (other than sections 427(a)(2)(D) and 427(b) of this Act) or of any State (other than a statute applicable principally to such State's student loan insurance program) which limits the rate or amount of interest payable on loans shall apply to a loan—

(1) which bears interest (exclusive of any premium for insurance) on the unpaid principal balance at a rate not in excess of 7 per centum per annum, and

(2) which is insured (A) by the United States under this part, or (B) by a State or nonprofit private institution or organization under a program covered by an agreement made pursuant to subsection (b) of this section.

**STATE LOAN INSURANCE SUPPLMENTAL GUARANTY AGREEMENT*

SEC. 428A. (a)(1) The Commissioner may enter into a supplemental guaranty agreement annually with any State having a guaranty agreement under section 428(c)(1) whereby the Commissioner shall undertake to reimburse the State, under such terms and conditions as he may establish, in an amount equal to 95 per centum of the amount expended by it in discharge of its insurance obligation, incurred under its loan insurance program, with respect to losses (resulting from the default of the student borrower) on the unpaid balance of the principal (other than interest added to principal) of any insured loan with respect to which a portion of the interest (A) is payable by the Commissioner under section 428(a), or (B) would be payable under such section but for the borrowers lack of need, if the Commissioner determines that the State student loan insurance program—

(A) authorizes the insurance of $2,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner), which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall be $7,500 in the case of any student who has successfully completed a program of undergraduate education, and $10,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part or by a State or nonprofit institution or organization with which the Commissioner has an agreement under this part made to such person before he became a graduate or professional student);

(B) insures not less than 100 per centum of the unpaid principal of the loans insured under the program whether or not such loans are eligible for interest subsidies under this part;

(C) provides for the insurance of loans for part-time study at an eligible institution in the same manner as is provided under the Federal student loan insurance program;

(D) provides no restrictions with respect to the insurance of loans for students who are otherwise eligible for loans under such program if such a student is a legal resident of the State, or if such a student is accepted for enrollment in or is attending an eligible institution within that State;

(E) provides no restrictions with respect to eligible institutions that are residential institutions which are more onerous than eligibility requirements for institutions under the Federal student

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* *Amendments shall take effect on October 1, 1976.*

loan insurance program, unless (i) that institution is ineligible under regulations for the limitation, suspension, or termination of eligible institutions under the Federal student loan insurance program or is ineligible pursuant to criteria issued under the State student loan insurance program which are substantially the same as regulations with respect to such eligibility issued under the Federal student loan insurance program, or (ii) there is a State constitutional prohibition affecting the eligibility of such an institution.

(2) The Commissioner may enter into a supplemental guaranty agreement with any State having a guaranty agreement under section 428(c)(1) whereby the Commissioner shall undertake to reimburse the State, under such terms and conditions as he may establish, in an amount equal to 100 per centum of the amount expended by it in discharge of its insurance obligation, incurred under its loan insurance program, with respect to losses (resulting from the default of the student borrower) on the unpaid balance of the principal (other than interest added to principal) of any insured loan with respect to which a portion of the interest (A) is payable by the Commissioner under section 428(a); or (B) would be payable under such section but for the borrower's lack of need, if the Commissioner determines that the State student loan insurance program—

(A) authorizes the insurance of $2,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner), which limit shall not be deemed exceeded by a lnie of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall be $7,500 in the case of any student who has successfully completed a program of undergraduate education, and $10,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part or by a State or nonprofit institution or organization with which the Commissioner has an agreement under this part made to such person before he became a graduate or professional student);

(B) insures not less than 100 per centum of the unpaid principal of the loans insured under the program, whether or not such loans are eligible for interest subsidies under this part;

(C) provides for the insurance of loans for part-time study at an eligible institution in the same manner as is provided under the Federal student loan insurance program;

(D) provides no restrictions with respect to the insurance of loans for students who are otherwise eligible for loans under such program if such a student is a legal resident of the State, or if such a student is accepted for enrollment in or is attending an eligible institution within that State;

(E) provides no restrictions with respect to eligible institutions eligibility requirements for eligible institutions under the Federal that are residential institutions which are more onerous than

student loan insurance program, unless (i) that eligible institution is ineligible under regulations for the limitation, suspension, or termination of eligible institutions under the Federal student loan insurance program or is ineligible pursuant to criteria issued under the State student loan insurance program which are substantially the same as regulations with respect to such eligibility issued under the Federal student loan insurance program, or (ii) there is a State constitutional prohibition affecting the eligibility of such an institution;

(F) provides for the eligibility of the eligible institutions as lenders under the same criteria as is prescribed under the Federal student loan insurance program, unless (i) that eligible institution is eliminated as a lender under regulations for the limitation, suspension, or termination of eligible institutions under the Federal student loan insurance program or is eliminated as a lender pursuant to criteria issued under the State student loan insurance program which are substantially the same as regulations with respect to such eligibility as a lender issued under the Federal student loan insurance program, or (ii) there is a State constitutional prohibition affecting the eligibility of such an institution as a lender.

(b) Each supplemental guaranty agreement entered into under subsection (a)—

(1) shall set forth such administrative and fiscal procedures as may be necessary to protect the United States from the risk of unreasonable loss thereunder, to insure proper and efficient administration of the loan insurance program, and to insure that due diligence will be exercised in the collection of loans insured under the program;

(2) shall set forth adequate assurance that the requirements of paragraph (1) or paragraph (2) of subsection (a) of this section, as the case may be, are met;

(3) shall provide for the making of such reports, in such form, and containing such information as the Commissioner may reasonably require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

(4) shall set forth adequate assurance that, with respect to so much of any loan insured under the loan insurance program as may be guaranteed by the Commissioner pursuant to subsection (a) of this section, the undertaking of the Commissioner under the supplemental guaranty agreement is acceptable in full satisfaction of State law or regulation requiring the maintenance of a reserve;

(5) shall provide that if, after the Commissioner has made payment under the supplemental guaranty agreement pursuant to this section with respect to any loan, any payments are made in discharge of the obligation incurred by the borrower with respect to such loan (including any payments of interest accruing on such loan after such payment by the Commissioner), there shall be paid over to the Commissioner (for deposit in the fund established by

section 431) such portion of the amount of such payments as is determined (in accordance with regulations prescribed by the Commissioner) to represent his equitable share thereof, but shall not otherwise provide for subrogation of the United States to the rights of any insurance beneficiary: Provided, That, except as the Commissioner may otherwise by or pursuant to regulation provide, amounts so paid by a borrower on such a loan shall be first applied in reducation of principal owing on such loan; and

(6) may include such other provisions as may be necessary to promote the purposes of this part.

(c)(1) To the extent provided in regulations of the Commissioner, a supplemental guaranty agreement under this section may contain provisions which permit such forbearance for the benefit of the student borrower as may be agreed upon by the parties to an insured loan and approved by the insurer.

(2) For purposes of this section, the terms "insurance beneficiary" and "default" shall have the meanings assigned to them by section 430(e).

(iii) the term 'eligible institution' when used with respect to a student is the eligible institution at which the student has been accepted for enrollment or, in the case of a student who is in attendance at such an institution is in good standing (as determined by such institution);

(iv) the determination of need and the amount of a loan recommended by an eligible institution under subparagraph (B)(ii) and the amount of loans in excess of $2,000 recommended by an eligible institution under subparagraph (B)(i)(II) with respect to a student shall be determined by substracting from the estimated cost of attendance at such institution the total of the expected family contribution with respect to such student (as determined by means other than one formulated by the Commissioner under subpart 1 of part A of this title) plus any other resources or student financial assistance reasonably available to such student.

(D) In addition, the Commissioner shall pay an administrative cost allowance in the amount established by paragraph (3)(B) of this subsection with respect to loans to any student without regard to the borrower's need. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreemnet evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Comissioner deems appropriate. In the absence of fraud by the lender, such determination of the need of a student under this paragraph shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.

(3) (A) [The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) of this subsection shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of

the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (e) of this section or in section 427(a)(2)(C); but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program.**]**

(3) (A) *Except as provided in subparagraph (C) of this paragraph, the portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account of the holder of the loan pursuant to paragraph (1) of this subsection shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 427(a)(2(C) or section 428(b)(1)(L); but except as provided in subparagraph (C) of this paragraph, such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program.*

The holder of a loan with respect to which payments are required to be made under this section shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined and the administrative cost allowance payable under this subsection. The Commissioner shall pay this portion of the interest and administrative cost allowance to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) was made, or if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

(B) If (i) a State student loan insurance program is covered by an agreement under subsection (b), (ii) a statute of such State limits the interest rate on loans insured by such program to a rate which is less than 7 per centum per annum on the unpaid principal balance, and (iii) the Commissioner determines that section 428(d) does not make such statutory limitation inapplicable and that such statutory limitation threatens to impede the carrying out of the purposes of this part, then he may pay an administrative cost allowance to the holder of each loan which is insured under such program and which is made during the period beginning on the sixtieth day after the date of enactment of the Higher Education Amendments of 1968 and ending 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969. Such administrative cost allowance shall be paid over the term of the loan in an amount per annum (determined by the Commissioner) which shall not exceed 1 per centum of the unpaid principal balance of the loan.

(4) Each holder of a loan with respect to which payments of interest or of administrative cost allowances are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan.

(5) The period referred to in subparagraphs (B) and (C) of paragraph (1) of this subsection shall begin on the date of enactment of this Act and end at the close of June 30, 1975, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of June 30, 1979.

(6) No payment may be made under this section with respect to the interest on a loan made from a student loan fund established under title II of the National Defense Education Act of 1958.

(7) Nothing in this or any other Act shall be construed to prohibit or require unless otherwise specifically provided by law, a lender to evaluate the total financial situation of a student making application for a loan under this part, or to counsel a student with respect to any such loan, or to make a decision based on such evaluation and counseling with respect to the dollar amount of any such loan.

(C)(i) In the case of any eligible lender (other than an eligible institution or any agency or instrumentality of a State), which is approved by the Commissioner pursuant to division (ii) of this subparagraph for the purpose of authorizing multiple disbursements and which enters into a binding agreement with a student to make a loan (I) for which the student is entitled to have a portion of the interest paid on his behalf under this section and (II) the proceeds of which loan are to be paid to the student in multiple disbursements over the period of enrollment for which the loan is made, but not to exceed twelve months, the amount of the interest payment which such lender may be paid under this section shall be determined as if the entire amount to be made available for that period of enrollment had been disbursed on the date on which the first installment thereof was disbursed. This subparagraph shall apply only in the case of loans paid in installments, in accordance with regulations of the Commissioner, based on the need of the student for the proceeds of such loan over the course of the academic year.

(ii) The Commissioner may approve an eligible lender for the purposes of this subparagraph if he determines—

(I) that such lender is making or will be making a substantial volume of loans on which an interest subsidy is payable under this section, and

(II) that such lender has sufficient experience and administrative capability in processing such loans to enable the lender to make such multiple disbursements in accordance with regulations issued by the Commissioner under this subparagraph.

(b)(1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of the State, institution, or organization to have made on their behalf the payments provided for in subsection (a) if the Commissioner determines that the student loan insurance program—

(A) authorizes the insurance of not less than $1,000 nor more than $2,500, (except in those cases where the Commissioner determines, pursuant to regulations prescribed by him, that a higher amount is warranted in order to carry out the purposes of this part with respect to students engaged in specialized training requiring exceptionally high costs of education) in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner), which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed $7,500 in the case of any student who has successfully completed a program of undergraduate education, and $10,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner and including any loans which are insured by the Commissioner under this part or by a State or nonprofit institution or organization with which the Commissioner has an agreement under this part made to such person before he became a graduate or professional student);

(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured

(e) Each eligible institution shall be eligible to receive from the Commissioner the payment of $10 per academic year for each student enrolled in that institution who is in receipt of a loan, described in paragraph (1) of subsection (a) of this section, for that year. Payments received by an institution under this subsection shall be used first by the institution to carry out the provisions of section 493A of this Act and then for such additional administrative costs as that institution determines necessary.

(f)(1) The Commissioner is authorized to make payments, in accordance with the provisions of this subsection, to any State with a supplemental guaranty agreement under section 428A of this Act for the administrative costs of the collection of loans insured under the State student loan insurance program subject to such guaranty agreement and the administrative costs of preclaim assistance provided with respect to such program.

(A) 'administrative costs of collection of loans' means any administrative costs incurred by a State guarantee agency which are directly related to the collection of loans on which default claims have been paid to participating lenders, including the compensation of collection personnel (and in the case of personnel who perform several functions for such an agency only the portion of compensation attributable to collection activities), attorney's fees, fees paid to collection agencies, postage, equipment, supplies, telephone and similar charges, but does not include the overhead costs of such agency, and

(B) 'administrative costs of preclaim assistance' means any administrative costs incurred by a State guarantee agency which are directly related to providing collection assistance to lenders on delinquent loans, prior to the loans being legally in a default status, including the compensation of appropriate personnel (and in the case of personnel who perform several functions for such an agency only the portion of compensation attributable to collection activities) fees paid to locate missing borrowers, postage, equipment, supplies, telephone and similar charges, but does not include the overhead costs of such agency, subject to such additional criteria as the Commissioner may by regulation prescribe.

(3) No payment may be made under this subsection unless the State submits to the Commissioner an application at such time, at least annually, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require. Each such application shall—

**(A) set forth assurances that the State student loan insurance program subject to the supplemental guaranty agreement complies with clauses (A) through (E) of paragraph (1) or of paragraph (2) of section 428A (a), as the case may be;*

(B) contain provisions designed to demonstrate the capability of carrying out a necessary and successful program of collection of and preclaim assistance for the loan program subject to that agreement:

(C) sets forth an estimate of the costs which are eligible for payment under the provisions of this subsection;

(D) provides for such administrative and fiscal procedures, including an audit, as are necessary to carry out the provisions of this subsection; and

(E) sets forth assurances that the State will furnish such data and information, including where necessary estimates, as the Commissioner may reasonably require to carry out the provisions of this subsection.

(4) No payments may be made to any State under this subsection in any fiscal year in excess of an amount equal to 4 per centum of the amount of loans under the State student loan insurance program subject to the supplemental guaranty agreement under section 428A and repayable in that year. Whenever the Commissioner determines that significant savings to the Federal Government may result from the prevention of default of loans subject to such an agreement, or from increased collections of loans subject to such an agreement, based upon an application made by the State, he may waive the limitation prescribed by this paragraph.

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DEFINITIONS FOR REDUCED-INTEREST STUDENT LOAN INSURANCE PROGRAM

SEC. 435. As used in this part:

(a) The term "eligible institution" means (1) an institution of higher education, (2) a vocational school, or (3) with respect to students who are nationals of the United States, an institution outside the

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*Amendments shall take effect October 1, 1976.

States which is comparable to an institution of higher education or to a vocational school and which has been approved by the Commissioner for purposes of this part, *except that such term does not include any such institution or school which employs or uses commissioned salesmen to promote the availability of any loan program described in section 421(a)(1) at that institution or school.*

(b) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(c) The term "vocational school" means a business or trade school, or technical institution or other technical or vocational school, in any State, which (1) admits as regular students only persons who have completed or left elementary or secondary school and who have the ability to benefit from the training offered by such institution; (2) is legally authorized to provide, and provides within that State, a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations; (3) has been in existence for two years or has been specially accredited by the Commissioner as an institution meeting the other requirements of this subsection; and (4) is accredited (A) by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this clause, (B) if the Commissioner determines that there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, by a State agency listed by the Commissioner pursuant to this clause and (C) if the Commissioner determines there is no nationally recognized or State agency or association qualified to accredit schools of a particular category, by an advisory committee appointed by him and composed of persons specially qualified to evaluate training provided by schools of that category, which committee shall prescribe the standards of content, scope, and quality which must be met by those schools in order for loans to students attending them to be insurable under this part and shall also determine whether particular schools meet those standards. For the purpose of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations and State agencies which he determines to be reliable authority as to the quality of education or training afforded.

(d) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(e) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(f) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

(g) The term "eligible lender" means an eligible institution, an agency or instrumentality of a State, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State, or a pension fund approved by the Commissioner for this purpose, *except that such term does not include any eligible institution in any fiscal year immediately after the fiscal year in which the Commissioner determines, after notice and opportunity for a hearing, that for each of two consecutive years 15 per centum or more of the amount of the loans described in section 428(a)(1) made with respect to students at that institution and repayable in each such year is in default, as defined in section 430(e)(2).*

Whenever the Commissioner determines that—

(1) there is reasonable possibility that an eligible institution may, within one year after a determination is made under the preceding sentence, improve the collection of loans described in sec-

tion 428(a)(1), so that the application of the exception contained in the preceding sentence would be a hardship to that institution, or

(2) the termination of the lender's status under the exception in the preceding sentence would be a hardship to the present or prospective students of the eligible institution, after considering the management of that institution, the ability of that institution to improve the collection of loans, the opportunities that institution offers to economically disadvantaged students, and other related factors,

the Commissioner shall waive the provisions of the exception in the preceding sentence with respect to that institution. Any determination required under the preceding sentence shall be made by the Commissioner prior to the termination of an eligible institution as a lender under the exception of the first sentence of this subsection. Whenever the Commissioner grants a waiver pursuant to the second sentence he shall provide technical assistance to the institution concerned in order to improve the collection rate of such loans.

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ELIGIBILITY OF INSTITUTIONS

SEC. 438. (a) Notwithstanding any other provision of this part, the Commissioner is authorized to prescribe such regulations as may be necessary to provide for—

(1) a fiscal audit of an eligible institution with regard to any funds obtained from a student who has received a loan insured under this part, or insured by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b);

(2) the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration by an eligible institution of a program of student financial aid with respect to funds obtained from a student who has received a loan insured under this part, or insured by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b);

(3) the establishment by each eligible institution of policies and procedures under which the latest known address and enrollment status of a student who has received a loan insured under this part or insured by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b) are made available, upon request, to the Commissioner, to the State or nonprofit private institution or organization which has insured such loan to the lender who made such loan, or to the holder of such loan;

(4) the limitation, suspension, or termination of the eligibility under this part of any otherwise eligibile institution, whenever the Commissioner has determined, after notice and affording an opportunity for hearing, that such institution has violated or failed to carry out any regulation prescribed under this part.

(b) The Commissioner shall publish a list of State agencies which he determines to be reliable authority as to the quality of public postsecondary vocational education in their respective States for the purpose of determining eligibility for all Federal student assistance programs.

STUDENT LOAN MARKETING ASSOCIATION

SEC. 439. (a) The Congress hereby declared that it is the purpose of this section (1) to establish a Government-sponsored private corporation which will be financed by private capital and which will serve as a secondary market and warehousing facility for insured student loans, insured by the Commissioner under this part or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b), and which will provide liquidity for student loan investments*; and (2) in order to facilitate secured transactions involving insured student loans, to provide for perfection of security interests in insured student loans either through the taking of possession or by notice filing.*

(b)(1) There is hereby created a body corporate to be known as the Student Loan Marketing Association (hereinafter referred to as the "Association"). The Association shall have succession until dissolved. It shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof. Offices may be established by the Association in such other place or places as it may deem necessary or appropriate for the conduct of its business.

(2) The Association, including its franchise, capital, reserves, surplus, mortgages, or other security holdings, and income shall be exempt from all taxation now or hereafter imposed by any State, territory, possession, Commonwealth, or dependency of the United States, or by the District of Columbia, or by any county, municipality, or local taxing authority, except that any real property of the Association shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

(3) There is hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare $5,000,000 for making advances for the purpose of helping to establish the Association. Such advances shall be repaid within such period as the Secretary may deem to be appropriate in light of the maturity and solvency of the Association. Such advances shall bear interest at a rate not less than (A) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining period to maturity comparable to the maturity of such advances, adjusted to the nearest one-eighth of 1 per centum, plus (B) an allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses. Repayments of such advances shall be deposited into miscellaneous receipts of the Treasury.

(c)(1) The Association shall have a Board of Directors which shall consist of twenty-one persons, one of whom shall be designated Chairman by the President.

(2) An interim Board of Directors shall be appointed by the President, one of whom he shall designate as interim Chairman. The

interim Board shall consist of twenty-one members, seven of whom shall be representative of banks or other financial institutions which are insured lenders pursuant to this section, seven of whom shall be representative of educational institutions, and seven of whom shall be representative of the general public. The interim Board shall arrange for an initial offering of common and preferred stocks and take whatever other actions are necessary to proceed with the operations of the Association.

(3) When in the judgment of the President, sufficient common stock of the Association has been purchased by educational institutions and banks or other financial institutions, the holders of common stock which are educational institutions shall elect seven members of the Board of Directors and the holders of common stock which are banks or other financial institutions shall elect seven members of the Board of Directors. The President shall appoint the remaining seven directors, who shall be representative of the general public.

(4) At the time the events described in paragraph (3) have occurred, the interim Board shall turn over the affairs of the Association to the regular Board so chosen or appointed.

(5) The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board which becomes vacant after the annual election of the directors shall be filled by the Board, but only for the unexpired portion of the term.

(6) The Board of Directors shall meet at the call of its Chairman, but at least semiannually. The Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the executive officers of the Association and shall discharge all such executive functions, powers, and duties.

(d)(1) The Association is authorized, subject to the provisions of this section, pursuant to commitments or otherwise, to make advances on the security of, purchase, service, sell, or otherwise deal in, at prices and on terms and conditions determined by the Association, student loans which are insured by the Commissioner under this part or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b).

(2) Any warehousing advance made under paragraph (1) of this subsection shall not exceed 80 per centum of the face amount on an insured loan. The proceeds from any such advance shall be invested in additional insured student loans.

(3) Notwithstanding the provisions of any State law to the contrary, including the Uniform Commercial Code as in effect in any State, a security interest in insured student loans created on behalf of the Association or any eligible lender as defined in section 435(9)

may be perfected either through the taking of possession of such loans or by the filing of notice of such security interest in such loans in the manner provided by said State law for perfection of security interests in accounts.

(e) The Association, pursuant to such criteria as the Board of Directors may prescribe, shall make advances on security or purchase student loans pursuant to subsection (d) only after the Association is assured that the lender (A) does not discriminate by pattern or practice against any particular class or category of students by requiring that, as a condition to the receipt of a loan, the student or his family maintain a business relationship with the lender, except that this clause shall not apply in the case of a loan made by a credit union, savings and loan association, mutual savings bank, institution of higher education or any other lender with less than $50,000,000 in deposits, and (B) does not discriminate on the basis of race, sex, color, creed, or national origin.

(f)(1) The Association shall have common stock having a par value of $100 per share which may be issued only to lenders under this part, pertaining to guaranteed student loans, who are qualified as insured lenders under this part or who are eligible institutions as defined in section 435(a) (other than an institution outside the United States).

(2) Each share of common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors. Voting shall be by classes as described in subsection (c)(3).

(3) The common stock of the Association shall be transferable only as may be prescribed by regulations of the Secretary of Health, Education, and Welfare, and as to the Association, only on the books of the Association. The Secretary of Health, Education, and Welfare shall prescribe the maximum number of shares of common stock the Association may issue and have outstanding at any one time.

(4) To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on common stock by the Board of Directors. Such dividends as may be declared by the Board shall be paid to the holders of outstanding shares of common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call.

(g)(1) The Association is authorized with the approval of the Secretary of Health, Education and Welfare, to issue nonvoting preferred stock with a par value of $100 per share. Any preferred share issued shall be freely transferable, except that, as to the Association, it shall be transferred only on the books of the Association.

(2) The holders of the preferred shares shall be entitled to such rate of cumulative dividends and such shares shall be subject to such redemption or other conversion provisions, as may be provided for at the time of issuance. No dividends shall be payable on any share of common stock at any time when any dividend is due on any share of preferred stock and has not been paid.

(3) In the event of any liquidation, dissolution, or winding up of the Association's business, the holders of the preferred shares shall be paid in full at par value thereof, plus all accrued dividends, before the holders of the common shares receive any payment.

(h)(1) The Association is authorized with the approval of the Secretary of Health, Education, and Welfare and the Secretary of the Treasury to issue and have outstanding obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association. Such obligations may be redeemable at the option of the Association before maturity in such manner as may be stipulated therein.

(2) The Secretary of Health, Education, and Welfare is authorized, prior to July 1, 1982, to guarantee payment when due of principal and interest on obligations issued by the Association in an aggregate amount determined by the Secretary in consultation with the Secretary of the Treasury.

(3) To enable the Secretary of Health, Education, and Welfare to discharge his responsibilities under guarantees issued by him, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of Health, Education, and Welfare with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the months preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. There is authorized to be appropriated to the Secretary of Health, Education, and Welfare such sums as may be necessary to pay the principal and interest on the notes or obligations issued by him to the Secretary of the Treasury.

(i) The Association shall have power—

(1) to sue and be sued, complain and defend, in its corporate name and through its own counsel;

(2) to adopt, alter, and use the corporate seal, which shall be judicially noticed;

(3) to adopt, amend, and repeal by its Board of Directors, bylaws, rules, and regulations as may be necessary for the conduct of its business;

(4) to conduct its business, carry on its operations, and have officers and exercise the power granted by this section in any State without regard to any qualification or similar statute in any State;

(5) to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated;

(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the Association;

(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, require bonds for them and fix the penalty thereof; and

(9) to enter into contracts, to execute instruments, to incur liabilities, and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

(j) The accounts of the Association shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants or by independent licensed public accountants, licensed on or before December 31, 1970, who are certified or licensed by a regulatory authority of a State or other political subdivision of the United States, except that independent public accountants licensed to practice by such regulatory authority after December 31, 1970, and person who, although not so certified or licensed, meet, in the opinion of the Secretary, standards of education and experience representative of the highest standards prescribed by the licensing authorities of the several States which provide for the continuing licensing of public accountants and which are prescribed by the Secretary in appropriate regulations may perform such audits until December 31, 1975. A report of each such audit shall be furnished to the Secretary of the Treasury. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the Secretary shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Association and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

(k) A report of each such audit for a fiscal year shall be made by the Secretary of the Treasury to the President and to the Congress not later than six months following the close of such fiscal year. The report shall set forth the scope of the audit and shall include a statement (showing intercorporate relations) of assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the President and the Congress informed of the operations and financial condition of the Association, together with such recommendations with respect thereto as the Secretary may deem advisable, including a report of any impairment of capital or lack of sufficient capital noted in the audit. A copy of each report shall be furnished to the Secretary of Health, Education, and Welfare and to the Association.

(l) All obligations issued by the Association shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under authority or control of the United States or of any officer or officers thereof. All stock and obligations issued by the Association pursuant to this section shall be deemed to be exempt securities within the me oinnfg section shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations of, or obligations guaranteed as to principal or interest by, the United States. The Association shall, for the purposes of section 14(b)(2) of the Federal Reserve Act, be deemed to be an agency of the United States.

(m) In order to furnish obligations for delivery by the Association, the Secretary of the Treasury is authorized to prepare such obligations in such form as the Board of Directors may approve, such obligations when prepared to be held in the Treasury subject to delivery upon order by the Association. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Association shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such obligations.

(n) The Association shall, as soon as practicable after the end of each fiscal year, transmit to the President and the Congress a report or its operations and activities during each year.

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PART C—WORK-STUDY PROGRAMS

STATEMENT OF PURPOSE; APPROPRIATIONS AUTHORIZED

SEC. 441. (a) The purpose of this part is to stimulate and promote the part-time employment of students, particularly students with great financial need in eligible institutions who are in need of the earnings from such employment to pursue courses of study at such institutions.

(b) There are authorized to be appropriated $225,000,000 for the fiscal year ending June 30, 1969, $275,000,000 for the fiscal year ending June 30, 1970, $320,000,000 for the fiscal year ending June 30, 1971, $330,000,000 for the fiscal year ending June 30, 1972, $360,000,000 for the fiscal year ending June 30, 1973, $390,000,000 for the fiscal year ending June 30, 1974, and $420,000,000 for the fiscal year ending June 30, 1975, *and for each of the succeeding fiscal years ending prior to October 1, 1982.*

* * * * * * *

CONDITIONS OF AGREEMENTS

SEC. 444. (a) An agreement entered into pursuant to section 443 shall—

(1) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself (except in the case of a proprietary institution of higher education) or work in the public interest for a **[**public**]**, *Federal, State, or local public agency* or private nonprofit organi-

zation under an arrangement between the institution and such *agency or* organization, and such work—

(A) will not result in the displacement of employed workers or impair existing contracts for services,

(B) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee, and

(C) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship;

(2) provide that funds granted an institution of higher education, pursuant to section 443 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses in accordance with section 463 of this Act;

(3) provide that in the selection of students for employment under such work-study program preference shall be given to students with the greatest financial need, taking into account grant assistance provided such student from any public or private sources, and that employment under such work-study program shall be furnished only to a student who (A) is in need of the earnings from such employment in order to pursue a course of study at such institution (taking into consideration the actual cost of attendance at such institution), (B) shows evidence of academic or creative promise and capability of maintaining good standing in such course of study while employed under the program covered by the agreement, and (C) has been accepted for enrollment as a student at the institution on at least a half-time basis or, in the case of a student already enrolled in and attending the institution, is in good standing and in attendance there on at least a half-time basis either as an undergraduate, graduate, or professional student;

[(4) (Vacant).]

(4) provide that no student who has entered employment under a work-study program under this part during a semester shall be required to terminate that employment solely on the ground that any income derived from additional employment together with income derived from employment under such program is in excess of the determination of the amount of such student's need for that semester under clause (3) of this subsection;

(5) provide that the institution will meet the requirements of section 494 of this Act (relating to maintenance of effort);

(6) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 80 per centum of such compensation; except that the Federal share may exceed 80 per centum of such compensation if the Commissioner determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that a Federal share in excess of 80 per centum is required in furtherance of the purposes of this part;

(7) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to [all eligibile students in the institution in need thereof] *all students in the institution who desire such employment;* [and]

(8) include provisions designed to assure that, subject to the provisions of subsection (d) of this section, the institution will employ students under such work-study program for a number of hours equal to the average number of hours worked per week by a full-time financial aid counselor at that institution so that the number of hours worked by students under this paragraph is equal to—

(A) the work of one such counselor for every eight hundred students for the first four thousand students in full-time equivalent enrollment at the institution;

(B) the work of one such counselor for every one thousand students for any additional number of students in full-time equivalent enrollment at the institution when such number is four thousand or more but not in excess of ten thousand; and

(C) the work of one such counselor for every two thousand students for any additional number of students in full-time equivalent enrollment at the institution when such number is ten thousand or more,

to provide all enrolled and prospective students (as defined in section 493(a)(2) of this Act) the information and counseling described in section 493(a)(1) of this Act) together with assurances that in complying with the provisions of this paragraph the institution will consult with its students; and

(*9*) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this part.

(b) An agreement entered into pursuant to section 443 with an area vocational school shall contain, in addition to the provisions described in subsection (a) of this section, a provision that a student in such a school shall be eligible to participate in a program under this part only if he (1) has a certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate, and (2) is pursuing a program of education or training which requires at least six months to complete and is designed to prepare the student for gainful employment in a recognized occupation.

(c) For purposes of paragraph (4) of subsection (a) of this section, in computing average hours of employment of a student over a semester or other term, there shall be excluded any period during which the student is on vacation and any period of nonregular enrollment. Employment under a work-study program during any such period of nonregular enrollment during which classes in which the student is enrolled are in session shall be only to the extent and in accordance with criteria established by or pursuant to regulations of the Commissioner.

(d)(1) Pursuant to such general criteria as he may prescribe, the Commissioner may waive the required amount of paragraph (8) of subsection (a) in whole or in part, whenever he determines that the agreement with such an institution contains satisfactory assurances

that the institution is carrying out an effective program of institutional and financial information for students.

(2) In developing criteria for this subsection, the Commissioner shall consult with organizations and institutions of higher education entering into agreements under this part.

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WORK-STUDY FOR COMMUNITY SERVICE LEARNING PROGRAM

SEC. 447. (a) The purpose of this section is to enable students in eligible institutions who are in need of additional financial support to attend institutions of higher education, with preference given to veterans who served in the Armed Forces in Indochina or Korea after August 5, 1964, to obtain earnings from employment which offers the maximum potential both for effective service to the community and for enhancement of the educational development of such students.

(b) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1972, and $50,000,000 *for* each succeeding fiscal year ending prior to [July 1, 1975] *October 1, 1982*, to carry out this section through local project grants, without regard to the provisions of section 442.

(c) The Commissioner is authorized to enter into agreements with public or private nonprofit agencies under which the Commissioner will make grants to such agencies to pay the compensation of students who are employed by such agencies in jobs providing needed community services and which are of educational value.

(d) An agreement entered into under subsection (c) above shall—

(1) provide for the part-time employment of college students in projects designed to improve community services or solve particular problems in the community;

(2) provide assurances that preference will be given to veterants who served in the Armed Forces in Indochina or Korea after August 5, 1964, in recruiting students to eligible instituttions for jobs under this section, and that the agency, in cooperation with the institution of higher education which the student attends, will make an effort to relate the projects performed by students to their general academic program and to a comprehensive program for college student services to the community;

(3) conform with the provisions of clauses (1)(A), (1)(B) and (1)(C) of section 444(a), and provides for the selection of students who meet the reyquirements of clauses (3)(A), (3)(B) and (3)(C) of section 444(a); and

(4) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this section, including provisions for oversight by the institution of higher education which the student participating in such a program attends.

(e) For purposes of this section, the term "community service" includes, but is not limited to, work in such fields as environmental quality, health care, education, welfare, public safety, crime prevention and control, transportation, recreation, housing, and neighborhood improvement, rural development, conservation, beautification, and other fields of human betterment and community improvement.

Part D—Cooprative Education Program

APPROPRIATIONS AUTHORIZED

Sec. 451. (a) There are authorized to be appropriated $340,000 for the fiscal year ending June 30, 1969, $8,000,000 for the fiscal year ending June 30, 1970, and $10,000,000 for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1976, $15,000,000 for the fiscal year 1977, $20,000,000 for the fiscal year 1978, and $25,000,000 for each of the fiscal years ending prior to October 1, 1982,* to enable the Commissioner to make grants pursuant to section 452 to institutions of higher education for the planning, establishment, expansion, or carrying out by such institutions of programs of cooperative education that alternate periods of [full-time] academic study with periods of full-time public or private employment that will not only afford students the opportunity to earn through employment funds required toward continuing and completing their education but will, so far as practicable, give them work experience related to their academic or occupational objective. Such amounts for the fiscal year ending June 30, 1969, shall also be available for planning and related activities for the purpose of this title.

(b) There are further authorized to be appropriated $750,000 for the fiscal year ending June 30, 1969, and for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1976, $1,500,000 for fiscal year 1977, $2,500,000 for fiscal year 1978, and $3,000,000 for each of the succeeding fiscal years ending prior to October 1, 1982* to enable the Commissioner to make training, demonstration, or research grants or contracts pursuant to section 453.

(c) Appropriations under this part shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this part.

GRANTS FOR PROGRAMS OF COOPERATIVE EDUCATION

Sec. 452. (a) From the sums appropriated pursuant to subsection (a) of section 451, and for the purposes set forth therein, the Commissioner is authorized to make grants to institutions of higher education that have applied therefor in accordance with subsection (b) of this section, in amounts not in excess of [$75,000] *$150,000* to any one such institution for any fiscal year.

(b) Each application for a grant authorized by subsection (a) of this section shall be filed with the Commissioner at such time or times as he may prescribe and shall——

(1) set forth programs or activities for which a grant is authorized under this section;

(2) provide that the applicant will expend during such fiscal year for the purpose of such program or activity not less than was expended for such purpose during the previous fiscal year;

(3) provide for the making of such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this part, and for the keeping of such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

(4) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this part; and

(5) include such other information as the Commissioner may determine necessary to carry out the purposes of this part.

(c) No institution of higher education may receive grants under this section for more than three fiscal years.

(d) In the development of criteria for approval of applications under this section, the Commissioner shall consult with the Advisory Council on Financial Aid to Students.

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PART E—DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION *

APPROPRIATIONS AUTHORIZED

SEC. 461. (a) The Commissioner shall carry out a program of stimulating and assisting in the establishment and maintenance of funds at institutions of higher education for the making of low-interest loans to students in need thereof to pursue their courses of study in such institutions.

(b) (1) For the purpose of enabling the Commissioner to make contributions to student loan funds established under this part, there are hereby authorized to be appropriated $375,000,000 for the fiscal year ending June 30, 1972, and $400,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1982.*

(2) In addition there are hereby authorized to be appropriated such sums for fiscal year ending [June 30, 1976] *September 30, 1983*, and each of the three succeeding fiscal years as may be necessary to enable students who have received loans for academic years ending prior to [July 1, 1975] *October 1, 1982*, to continue or complete courses of study.

(c) Any sums appropriated pursuant to subsection (b) for any fiscal year shall be available for apportionment pursuant to section 462 and for payments of Federal capital contributions therefrom to institutions of higher education which have agreements with the Commissioner under section 463. Such Federal capital contributions and all contributions from such institutions shall be used for the establishment, expansion, and maintenance of student loan funds.

* * * * * * *

TERMS OF LOANS

SEC. 464. (a) (1) Loans from any student loan fund established pursuant to an agreement under section 463 to any student by any institution shall, subject to such conditions, limitations, and requirements as the Commissioner shall prescribe by regulation, be made on such terms and conditions as the institution may determine.

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* *Amendments shall take effect on June 23, 1978.*

(2) The aggregate of the loans for all years made by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed—

(A) $10,000 in the case of any graduate or professional student (as defined by regulations of the Commissioner, and including any loans from such funds made to such person before he became a graduate or professional student);

(B) $5,000 in the case of a student who has successfully completed two years of a program of education leading to a bachelor's degree, but who has not completed the work necessary for such a degree (determined under regulations of the Commissioner, and including any loans from such funds made to such person before he became such a student); and

(C) $2,500 in the case of any other student.

(3) Regulations of the Commissioner under paragraph (1) shall be designed to prevent the impairment of the capital of student loan funds to the maximum extent practicable and with a view toward the objective of enabling the student to complete his course of study.

(b) A loan from a student loan fund assisted under this part may be made only to a student who—

(1) is in need of the amount of the loan to pursue a course of study at such institution;

(2) is capable, in the opinion of the institution, of maintaining good standing in such course of study;

(3) has been accepted for enrollment as an undergraduate, graduate, or professional student in such institution, or, in the case of a student already in attendance at such institution, is in good standing; and

(4) is carrying at least one-half the normal academic workload, as determined by the institution.

In any case in which a student has been determined to be eligible for a loan under the preceding sentence, and such student thereafter fails to maintain good standing, the eligibility of such student shall, upon notice to the Commissioner, be suspended, and further payments to, or on behalf of, such student shall not be made until such student regains good standing.

(c)(1) Any agreement between an institution and a student for a loan from a student loan fund assisted under this part—

(A) shall be evidenced by note or other written instrument which, except as provided in paragraph (2), provides for repayment of the principal amount of the loan, together with interest thereon, in equal installments (or, if the borrowers so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) payable quarterly, bimonthly, or monthly, at the option of the institution, over a period beginning nine months after the date on which the student ceases to carry, at an institution of higher education or a comparable institution outside the United States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload, and ending ten years and nine months after such date;

(B) shall include provision for acceleration of repayment of the whole, or any part, of such loan, at the option of the borrower;

(C) may provide, at the option of the institution in accordance with regulations of the Commissioner, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to him from student loan fund assisted under this part shall be at a rate equal to not less than $30 per month;

(D) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at the rate of 3 per centum per annum, except that no interest shall accrue (i) prior to the beginning date of repayment determined under clause (A) (i) or (ii) during any period in which repayment is suspended by reason of paragraph (2);

(E) unless the borrower is a minor and the note or other evidence of obligation executed by him would not, under applicable law, create a binding obligation, shall provide that the loan shall be made without security and without endorsement;

(F) shall provide that the liability to repay the loan shall be canceled upon the death of the borrower, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Commissioner;

(G) shall provide that no note or evidence of obligation may be assigned by the lender, except upon the transfer of the borrower to another institution participating under this part (or, if not so participating, is eligible to do so and is approved by the Commissioner for such purpose), to such institution; and

(H) may, pursuant to regulations of the Commissioner, provide for an assessment of a charge with respect to the loan for failure of the borrower (i) to pay all or part of an installment when it is due or (ii) to file timely and satisfactory evidence of an entitlement of the borrower to a deferment of repayment benefit or a cancellation benefit provided under this part.

(2)(A) No repayment of principal of, or interest on, any loan from a student loan fund assisted under this part shall be required during any period in which the borrower—

(i) is carrying at least one-half the normal full-time academic workload at an institution of higher education or at a comparable institution outside the United States which is approved for this purpose by the Commissioner;

(ii) is a member of the Armed Forces of the United States;

(iii) is in service as a volunteer under the Peace Corps Act; or

(iv) is in service as a volunteer under title VIII of the Economic Opportunity Act of 1964.

The period during which repayment may be deferred by reason of clause (ii), (iii) or (iv) shall not exceed three years.

(B) Any period during which repayment is deferred under subparagraph (A) shall not be included in computing the ten-year maximum period provided for in clause (A) of paragraph (1).

(3) The Commissioner is authorized, when good cause is shown, to extend, in accordance with regulations, the ten-year maximum repayment period provided for in clause (A) of paragraph (1) with respect to individual loans.

(4) The amount of any charge under clause (G) of paragraph (1) shall not exceed—

(A) in the case of a loan which is repayable in monthly installments, $1 for the first month or part of a month by which such installment or evidence is late and $2 for each such month or part of a month thereafter; and

(B) in the case of a loan which has a bimonthly or quarterly repayment interval, $3 and $6, respectively, for each such interval or part thereof by which such installment or evidence is late.

The institution may elect to add the amount of any such charge to the principal amount of the loan as to the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the institution not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

(d) An agreement under this part of payment of Federal capital contributions shall include provisions designed to make loans from the student loan fund established pursuant to such agreement reasonably available (to the extent of the available funds in such fund) to all eligible students in such institutions in need thereof.

(e) In determining, for purposes of clause (1) of subsection (b) of this section, whether a students who is a veteran (as that term defined in section 101(2) of title 38, United States Code) is in need, an institution shall not take into account the income and assets of his parents.

CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE

SEC. 465. (a)(1) The per centum specified in paragraph (3) of this subsection of the total amount of any loan made after June 30, 1972, from a student loan fund assisted under this part shall be canceled for each complete year of service after such date by the borrower under circumstances described in paragraph (2).

(2) Loans shall be canceled under pargaraph (1) for service—

(A) as a full-time teacher for service in an academic year in a public or other nonprofit private elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purposes of this paragraph and for that year has been determined by the Commissioner (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children described in clause (A), (B), or (C) of section 103(a)(2) of title I of the Elementary and Secondary Education Act of 1965 (using a low-income factor of $3,000) exceeds 30 per centum of the total enrollment of that school and such determination shall not be made with respect to more than 50 per centum of the total number of schools in the State receiving assistance under such title I;

(B) as a full-time staff member in a preschool program carried on under section 222(a)(1) of the Economic Opportunity Act of 1964 which is operated for a period which is comparable to a full school year in the locality: *Provided*, That the salary of such staff member is not more than the salary of [illegible]mparable employee of the local educational agency, or

(C) as a full-time teacher of handicapped children in a public or other nonprofit elementary or secondary school system; or

(D) as a member of the Armed Forces of the United States, for service that qualifies for special pay under section 310 of title 37, United States Code, as an area of hostilities.

For purposes of this paragraph, the term "handicapped children" means children who are mentally retarded, hard of hearing, deaf, speech-impaired, visually handicapped, seriously emotionally disturbed, or other health-impaired children who by reason thereof require special education.

(3)(A) The per centum of a loan which shall be canceled under paragraph (1) of this subsection is—

(i) in the case of service described in clause (A), or (C), of paragraph (2), at the rate of 15 per centum for the first or second year of such service, 20 per centum for the third or fourth year of such service, and 30 per centum for the fifth year of such service;

(ii) in the case of service described in clause (B) of paragraph (2) at the rate of 15 per centum for each year of such service;

(iii) in the case of service described in clause (D) of paragraph (2) not to exceed a total of 50 per centum of such loan at the rate of 12½ per centum for each year of qualifying service.

(B) If a portion of a loan is canceled under this subsection for any year, the entire amount of interest on such loan which accrues for such year shall be canceled.

(C) Nothing in this subsection shall be construed to authorize refunding any repayment of a loan.

(4) For the purposes of this subsection, the term "year" where applied to service as a teacher means academic year as defined by the Commissioner.

(b) The Commissioner shall pay to each institution for each fiscal year an amount equal to the aggregate of the amounts of loans from its student loan fund which are canceled pursuant to this section for such year. None of the funds appropriated pursuant to section 461(b) shall be available for payments pursuant to this subsection.

(c) The provisions of this section shall not apply with respect to any loan made after the date of enactment of the Education Amendments of 1976.

DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

SEC. 466. (a) After [June 30, 1980] *September 30, 1987*, and not later than [December 31, 1980] *March 31, 1988*, there shall be a capital distribution of the balance of the student loan fund established under this part by each institution of higher education as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the balance in such fund at the close of [June 30, 1980] *September 30 1987*, as the total amount of the Federal

capital contributions to such fund by the Commissioner under this part bears to the sum of such Federal contributions and the institution's capital contributions to such fund.

(2) The remainder of such balance shall be paid to the institution.

(b) After [December 31, 1980] *March 31, 1988*, each institution with which the Commissioner has made an agreement under this part, shall pay to the Commissioner the same proportionate share of amounts received by this institution after [June 30, 1974] *September 30, 1981*, in payment of principal and interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any costs of litigation incurred in collection of the principal or interest on loans from the fund and not already reimbursed from the fund or from such payments of principal or interest), as was determined for the Commissioner under subsection (a).

(c) Upon a finding by the institution or the Commissioner prior to [July 1, 1980] *October 1, 1987*, that the liquid assets of a student loan fund established pursuant to an agreement under this part exceed the amount required for loans or otherwise in the foreseeable future, and upon notice to such institution or to the Commissioner, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Commissioner or in such agreement, a capital distribution from such fund. Such capital distribution shall be made as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Commissioner to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

(2) The remainder of the capital distribution shall be paid to the institution.

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EXPENSES OF ADMINISTRATION

SEC. 493. (a) An institution which has entered into an agreement with the Commissioner under part A or C of this title shall be entitled for each fiscal year for which it receives an allotment under either such part to a payment in lieu of reimbursement for its expenses during such fiscal year in administering programs assisted under such part. The payment for a fiscal year (1) shall be payable from each such allotment in accordance with regulations of the Commissioner, and (2) shall (except as provided in subsection (b)) be an amount equal to 3 per centum of (A) the institution's expenditures during the fiscal year from its allotment under part A plus (B) its expenditures during such fiscal year under part C for compensation of students.

(b) The aggregate amount paid to an institution for a fiscal year under this section plus the amount withdrawn from its student loan fund under section 204(b) of the National Defense Education Act of 1958 *(1)* may not exceed **[**$125,000**]** *$400,000, and (2) shall be used by such institution to carry out the provisions of section 493A of this Act.*

INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS

SEC. 493A. (a)(1) Each institution of higher education and each eligible institution which receives payments under section 411(c), 428(c) or 493 of this title, as the case may be, shall carry out information dissemination activities to prospective students and to enrolled students who request information regarding financial assistance under parts A, B, C, and E of this title. The information required by this section shall be disseminated in written form as well as through personal interviews, whenever reasonable. The information required by this section shall accurately describe—

(A) the student financial assistance programs available to students who enroll at such institution,

(B) the method by which such assistance is distributed among student recipients who enroll at such institution,

(C) any means, including forms, by which application for student financial assistance is made and requirements for accurately preparing such applications and the review standards employed to make awards for student financial assistance,

(D) the rights and responsibilities of students receiving financial assistance under parts A, B, C, and E of this title,

(E) the cost of attending the institution, including (i) tuition and fees, (ii) books and supplies, (iii) estimates of typical student room and board costs or typical commuting costs, and (iv) any additional cost of the program in which the student is enrolled or expresses a specific interest,

(F) the refund policy of the institution for the return of unearned tuition and fees or other refundable portion of cost, as described in clause (E) of this subsection,

(G) the academic program of the institution, including (i) the current degree programs and other educational and training programs, (ii) the instructional, laboratory, and other physical plant facilities which relate to the academic program, (iii) the faculty and other instructional personnel, and (iv) data regarding student retention at the institution and, when available, the number and percentage of students completing the programs in which the student is enrolled or expresses interest,

(H) each person designated under subsection (b) of this section, and the methods by which and locations in which any person so designated may be contacted by students and prospective students who are seeking information required by this subsection.

(2) For purposes of this section, the term 'prospective student' means any individual who has contacted an institution of higher education or an eligible institution requesting information for the purpose of enrolling in that institution, and who has specifically designated an interest in receiving information on financial assistance.

(b) Each institution of higher education or eligible institution, as the case may be, which receives payments authorized under section

411(c), or 428(e) or section 493 of this title shall designate an employee or group of employees who shall be available on a full-time basis to assist students or potential students in obtaining information as specified in the preceding subsection. The Commissioner may, by regulation, waive the requirement that an employee or employees be available on a full-time basis for carrying out responsibilities required under this section whenever an institution of higher education or eligible institution, as the case may be, in which the total enrollment, or the portion of the enrollment participating in programs under this title at that institution, is too small to necessitate such employee or employees being available on a full-time basis. No such waiver may include permission to exempt any such institution from designating a specific individual or a group of individuals to carry out the provisions of this section.

(c)(1) The Commissioner shall establish such regulations as he deems necessary to carry out the provisions of this section to insure that institutions of higher education and eligible institutions receiving payments under this section expend such payments in a manner which is consistent with the provisions of this section.

(2) The Commissioner shall make available to institutions of higher education and eligible institutions, by way of publication in the Federal Register and by other means he deems appropriate, descriptions of Federal student assistance programs including the rights and responsibilities of student and institutional participants, in order to (A) assist students in gaining information through institutional sources, (B) assist institutions in carrying out the provisions of this section, and (C) create greater uniformity in the administration of programs assisted under this title so that individual and institutional participants will be fully aware of their rights and responsibilities under such programs.

(d) During the one year period following the date of enactment of the Education Amendments of 1976, the Commissioner may waive any provision of this section whenever the institution of higher education or the eligible institution, as the case may be, provides, in the manner and at the time he requests, assurances satisfactory to him that the institution is making progress in compliance and will fully comply with the provisions of this section within such one year period

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AFFIDAVIT OF EDUCATIONAL PURPOSE REQUIRED

SEC. 498. (a) Notwithstanding any other provision of law, no grant, loan, or loan guarantee authorized under this title may be made unless the student to whom the grant, loan, or loan guarantee is made has filed with the institution of higher education which he intends to attend, or is attending (or in the case of a loan or loan guarantee with the lender), an affidavit stating that the money attributable to such grant, loan, or loan guarantee will be used solely for expenses related to attendance or continued attendance at such institution.

(b) Nothing in this section shall be construed to invalidate any loan guarantee made under this title.

FIVE-YEAR NONDISCHARGEABILITY OF CERTAIN LOAN DEBTS

SEC. 498A. A debt which is a loan insured or guaranteed under the authority of part B of this title may be released by a discharge in bankruptcy under the Bankruptcy Act only if such discharge is granted after the five-year period (exclusive of any applicable suspension of the repayment period) beginning on the date of commencement of the repayment period of such loan.

FISCAL ELIGIBILITY OF INSTITUTIONS

SEC. 498B. (a) Notwithstanding any other provision of this title, the Commissioner is authorized to prescribe such regulations as may be necessary to provide for—

(1) a fiscal audit of any—

(A) institution of higher education at which a student is enrolled who is receiving a basic grant under subpart 1 of part A of this title;

(B) eligible institution having an agreement with the Commissioner under section 444 to provide assistance for the operation of work-study programs under part C of this title; and

(C) institution of higher education having an agreement with the Commissioner under section 463 for the payment of Federal contributions for direct student loans under part E of this title;

(2) the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration by an institution of higher education in the case of programs described in clause (A) and clause (C) of the preceding paragraph or by an eligible institution in the case of a program described in clause (B) of the preceding paragraph of student financial aid with respect to funds obtained under this title;

(3) the limitation, suspension, or termination, of any payment made under such subpart 1 of part A, part C, or part E, with respect to any institution of higher education, or eligible institution, as the case may be, whenever the Commissioner has determined, after notice and affording an opportunity for a hearing, that such an institution has violated or failed to carry out any regulation prescribed under this section.

(b) The Commissioner shall, for the purpose of carrying out the provisions of this section with respect to subpart 1 of part A of this title, enter into special arrangements with institutions of higher education at which students receiving basic grants under that subpart are enrolled. The Commissioner shall include special provisions designed to carry out the provisions of this section in agreements with eligible institutions under section 443 and in agreements with institutions of higher education under section 463.

REPORT OF HIGH SCHOOL EQUIVALENCY PROGRAM AND COLLEGE ASSISTANCE MIGRANT PROGRAM

(a) The Commissioner of Education, in consultation with the Secretary of Labor, shall prepare and submit to the Congress not later than six months after the enactment of this section a report on programs and activities authorized by sections 417A, 417B, and 417C of the Higher Education Act of 1965, and on programs operated by the Department of Labor known as the High School Equivalency Program and College Assistance Migrant Program authorized under section 303 of the Comprehensive Employment Training Act of 1973. The report required by this section may include material from existing studies as well as material prepared by Federal agencies and by contractors, consultants, and experts.

(b) The report required by this section shall examine the purposes, administration, and effectiveness of the program specified in subsection (a) to determine in accordance with the intent of Congress expressed in subsection (c) if each of the programs so set forth should be administered by the Office of Education and, if so, the structure required in the administration of such programs by the Office of Education, including regional offices of that Office, in order to best carry out the objectives of such program.

(c) It is the intent of Congress that each program set forth in subsection (a) should maintain and increase its visability, so that potential and current beneficiaries and participants of such programs are assured that the programs are not being eliminated or combined with other programs in such a way as to terminate them, or to alter or diminish the objectives of the programs.

Sec. 152—Teacher Corps and Teacher Training Programs

[TITLE V—EDUCATION PROFESSIONS DEVELOPMENT *

[PART A—GENERAL PROVISIONS

[STATEMENT OF PURPOSE

[SEC. 501. (a) The purpose of this title is to improve the quality of teaching and to help meet critical shortages of adequately trained educational personnel by (1) developing information on the actual needs for educational personnel, both present and long range, (2) providing a broad range of high quality training and retraining opportunities, responsive to changing manpower needs; (3) attracting a greater number of qualified persons into the teaching profession; (4) attracting persons who can stimulate creativity in the arts and other skills to undertake short-term or long-term assignments in education; and (5) helping to make educational personnel training programes more responsive to the needs of the schools and colleges.

[*Effective Sept. 30, 1976.

[(b) For the purpose of carrying out the provisions of this title, there are authorized to be appropriated $200,000,000 for the fiscal year ending June 30, 1973, $300,000,000 for the fiscal year ending June 30, 1974, and $450,000,000 for the fiscal year ending June 30, 1975, of which—

[(1) not less than $500,000 shall be for the purposes of section 504;

[(2) not less than 25 per centum or $37,500,000, whichever is greater, shall be for the purposes of subpart 1 of part B;

[(3) not less than 5 per centum shall be for the purposes of part C;

[(4) not less than 5 per centum shall be for the purposes of part D;

[(5) not less than 5 per centum shall be for the purposes of part E;

[(6) not less than 10 per centum shall be for the purposes of part F; and

[(7) not less than 5 per centum of the amounts available for the purposes of Part C or Part D shall be used for the training of teachers for service in programs for children with limited English speaking ability.

[NATIONAL ADVISORY COUNCIL ON EDUCATION PROFESSIONS DEVELOPMENT

[SEC. 502. (a) The President shall, within ninety days after the enactment of this section, appoint a National Advisory Council on education Professions Development (hereafter in this section referred to as the "Council") for the purpose of reviewing the operation of this title and of all other Federal programs for the training and development of educational personnel, and evaluating their effectiveness in meeting needs for additional educational personnel, and in achieving improved quality in training programs as evidenced in the competency of the persons receiving such training when entering positions in the field of education. The Council shall, in addition, advise the Secretary and the Commissioner with respect to policy matters arising in the administration of this title and any other matters, relating to the purposes of this title, on which their advice may be requested.

[(b) The Council shall be appointed by the President, without regard to the civil service and classification laws, and shall consist of fifteen persons. The members, one of whom shall be designated by the President as Chairman, shall include persons broadly representative of the fields of education, the arts, the sciences, and the humanities, and of the general public; and a majority of them shall be engaged in teaching or in the education of teachers.

[(c) The Council shall make an annual report of its findings and recommendations (including recommendations for changes in this title and other Federal laws relating to educational personnel training) to the President and the Congress not later than January 31 of each calendar year beginning after the enactment of this section. The President is requested to transmit to the Congress such comments and recommendations as he may have with respect to such report.

[APPRAISING EDUCATION PERSONNEL NEEDS

[SEC. 503. (a) The Commissioner shall from time to time appraise the Nation's existing and future personnel needs in the field of education, including preschool programs, elementary and secondary education, vocational and technical education, adult education, and higher education, including the need to provide such programs and education to Indians, and the adequacy of the Nation's efforts to meet these needs. In developing information relating to educational personnel needs, the Commissioner shall consult with, and make maximum utilization of statistical and other related information of, the Department of Labor, the National Science Foundation, the National Foundation on the Arts and the Humanities, State educational agencies, State employment security agencies, and other appropriate public and private agencies.

[(b) The Commissioner shall prepare and publish annually a report on the education professions, in which he shall present in detail his views on the state of the education professions and the trends which he discerns with respect to the future complexion of programs of education throughout the Nation and the needs for well-educated personnel to staff such programs. The report shall indicate the Commissioner's plans concerning the allocation of Federal assistance under this title in relation to the plans and programs of other Federal agencies.

[ATTRACTING QUALIFIED PERSONS TO THE FIELD OF EDUCATION

[SEC. 504. (a) The Commissioner is authorized to make grants to, or contracts with, State or local educational agencies, institutions of higher education, or other public or nonprofit agencies, organizations, or institutions, and he is authorized to enter into contracts with private agencies, institutions, or organizations when he, after consultation with the National Advisory Council on Education Professions Development, considers such contract will make an especially significant contribution to attaining the objectives of this section, for the purpose of—

[(1) identifying capable youth in secondary schools who may be interested in careers in education and encouraging them to pursue postsecondary education in preparation for such careers;

[(2) publicizing available opportunities for careers in the field of education;

[(3) encouraging qualified persons to enter or reenter the field of education; or

[(4) encouraging artists, craftsmen, artisans, scientists, and persons from other professions and vocations, and homemakers to undertake teaching or related assignments on a part-time basis or for temporary periods.

[CONSULTATION

[SEC. 505. In the development and review of grant and contract programs under this title the Commissioner shall consult with the

National Science Foundation and the National Foundation on the Arts and the Humanities to promote coordinated planning of programs to train educational personnel.

[TRANSFER OF FUNDS

[SEC. 506. In addition to the authority for utilization of other agencies conferred by section 803(b) of this Act, funds available to the Commissioner for grants or contracts under this title shall, with the approval of the Secretary, be available for transfer to any other Federal agency for use (in accordance with an interagency agreement) for purposes for which such transferred funds could be otherwise expended by the Commissioner under the provisions of this title, and the Commissioner is likewise authorized to accept and expend funds of any other Federal agency for use under this title.

[EXPERTS AND CONSULTANTS

[SEC. 507. The Commissioner may employ experts and consultants, as authorized by section 3109 of title 5, United States Code, to advise him with respect to the making of grants and contracts and the approving of programs under this title. Experts and consultants employed pursuant to this section may be compensated while so employed at rates not in excess of $100 per day (or, if higher, the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code), including traveltime, and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

[LIMITATION

[SEC. 508. Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction or training for a religious vocation or to teach theological subjects.

[SHORT TITLE

[SEC. 509. This title may be cited as the "Education Professions Development Act".]

TITLE V—TEACHER CORPS AND TEACHER TRAINING PROGRAMS *

PART A—TEACHER CORPS PROGRAM

[PART B—ATTRACTING AND QUALIFYING TEACHERS]*

[Subpart 1—Teacher Corps]*

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 511. (*a*) The purpose of this subpart is to strengthen the educational opportunities available to children in areas having concentrations of low-income families and to encourage colleges and universities to broaden their programs of teacher preparation and to encourage institutions of higher education and local educational agencies to improve programs of training and retraining for teachers [and teacher aides], *teacher aides, and other eduactional personnel* by—

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*Effective Sept. 30, 1976.

(1) attracting and training qualified teachers who will be made available to local educational agencies for teaching in such areas;

(2) attracting and training inexperienced teacher-interns who will be made available for teaching and inservice training to local educational agencies in such areas in teams led by an experienced teacher;

(3) attracting volunteers to serve as part-time tutors or full-time instructional assistants in programs carried out by local educational agencies and institutions of higher education serving such areas;

(4) attracting and training educational personnel to provide relevant remedial, basic, and secondary educational training, including literacy and communications skills, for juvenile delinquents, youth offenders, and adult criminal offenders;

(5) supporting demonstration projects for retaining experienced teachers and [teacher aides], *teacher aides, and other educational personnel* serving in local educational agencies.

(b) For the purpose of carrying out the provisions of this title there are authorized to be appropriated $50,000,000 for the fiscal year 1977, $75,000,000 for the fiscal year 1978, and $100,000,000 for each of the fiscal years 1979, and each of the fiscal years ending prior to October 1, 1982.

ESTABLISHMENT OF TEACHER CORPS

Sec. 512. In order to carry out the purposes of this subpart, there is hereby established in the Office of Education a Teacher Corps. The Teacher Corps shall be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16 of such General Schedule. The Director and the Deputy Director shall perform such duties as are delegated to them by the Commissioner; except that (1) the Commissioner may delegate his functions under this subpart only to the Director, and (2) the Director and Deputy Director shall not be given any function authorized by law other than that granted by this subpart.

TEACHER CORPS PROGRAM

Sec. 513. (a) For the purpose of carrying out this subpart, the Commissioner is authorized to—

(1) enter into contracts or other arrangements with institutions of higher education or local educational agencies under which they will recruit, select, and enroll in the Teacher Corps for periods of up to [two] *five* years, experienced teachers, teacher aides *and other educational personnel*, persons who have a bachelor's degree or its equivalent, and persons who have successfully completed two years of a program for which credit is given toward a baccalaureate degree and, for such periods as the Commission

may prescribe by regulation, persons who volunteer to serve as part-time tutors or full-time instructional assistant;

(2) enter into arrangements, through grants or contracts, with institutions of higher education or local educational agencies (upon approval in either case by the appropriate State educational agency) or with State educational agencies to provide members of the Teacher Corps with such training as the Commissioner may deem appropriate to carry out the purpose of this subpart, including not more than three months of training for members before they undertake their teaching duties under this subpart;

(3) enter into arrangements (including the payment of the cost of such arrangements) with local educational agencies upon approval by the appropriate State educational agency and, after consultation in appropriate cases with institutions of higher education, to furnish to local educational agencies, for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, **[**teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program carried out under the guidance of an experienced teacher**]** *teacher Corps programs each of which shall include teacher-intern teams led by experienced teachers, and may include additional experienced teachers, teacher aides, and other educational personnel, who shall be afforded time by the local educational agency for a training program carried out* in cooperation with an institution of higher education;

(4) pay to local educational agencies such part of the amount of the compensation which such agencies pay to or on behalf of members of the Teacher Corps assigned to them pursuant to arrangements made pursuant to the preceding clause as may be agreed upon after consideration of their ability to pay such compensation, but not in excess of 90 per centum thereof, except that, in exceptional cases, the Commissioner may provide more than 90 per centum of such compensation during the first year of any agency's participation in the program;

(5) enter into contracts or other arrangements with local educational agencies or institutions of higher education, upon approval by the appropriate State educational agency, under which provisions (including payment of the cost of such arrangements) will be made (A) to carry out programs serving disadvantaged areas in which volunteers (including high school and college students) serve as part-time tutors or full-time instructional assistants in teams with other Teacher Corps members, under the guidance of experienced teachers, but not in excess of 90 per centum of the cost of compensation for such tutors and instructional assistants may be paid from Federal funds, and (B) to provide appropriate training to prepare tutors and instructional assistants for service in such programs;

(6) enter into arrangements, through grants or contracts, with State and local educational agencies, and with institutions of higher education, and such other agencies or institutions ap-

proved by the Commissioner according to criteria which shall be established by him to carry out the purposes of this paragraph, under which provisions (including payments of the cost of such arrangements) will be made to furnish to such agencies members of the Teacher Corps to carry out projects designed to meet the special educational needs of juvenile delinquents, youth offenders, and adult criminal offenders, and persons who have been determined by a State or local educational agency, court of law, law enforcement agency, or any other State or local public agency to be predelinquent juveniles, but not in excess of 90 per centum of the cost of compensation for Teacher Corps members serving in such projects may be paid from Federal funds;

(7)(*A*) make available technical assistance to *State and* local educational agencies and institutions of higher education *under this title; and* for carrying out arrangements entered into **[**under clause (1)**]**;

(*B*) *provide planning, technical assistance, monitoring, documenting, dissemination, and evaluation services for arrangements made under this title;*

(8) acquaint qualified persons of teaching opportunities and needs in disadvantaged areas and encourage qualified persons to apply to appropriate educational agencies or institutions for enrollment in the Teacher Corps; and

(9) accept and employ in the furtherance of the purposes of this subpart (A) voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes, as amended (31 U.S.C. 665(b)), and (B) any money or property (real, personal, or mixed, tangible or intangible) received by gift, device, bequest, or otherwise.

(b) Arrangements with institutions of higher education to provide training **[**for teacher-interns while teaching**]** *for Teacher Corps members while serving* in schools for local educational agencies under the provisions of this subpart shall provide, wherever possible, for training leading to an appropriate degree.

(c)(1) Whenever the Commissioner determines that the demand for the services of members of the Teacher Corps exceeds the number available, he shall, to the extent practicable, allocate the number of members of the Teacher Corps who are available among the States in accordance with paragraph (2).

(2) Not to exceed 5 per centum of the number of members of the Teacher Corps who are available shall be allocated to Puerto Rico, the Virgin Islands, Guam, American Samoa and the Trust Territory of the Pacific Islands and not to exceed 5 per centum of such members shall be allocated to the elementary and secondary schools operated for Indian children by the Department of Interior, according to their respective needs. The remainder of such number of Teacher Corps members shall be allocated among the States so that the number of members available to any State shall bear the same ratio to the number being allocated as the number of children enrolled in the public and private elementary and secondary schools of that State bears to the total number of children so enrolled in such schools in all of the States. The number of children so enrolled shall be determined by the

Commissioner on the basis of the most recent satisfactory data available to him. For purposes of this subsection, the term "State" shall not include Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territory of the Pacific Islands.

(3) If the Commissioner determines that a State will not require the number of Teacher Corps members allocated to it under paragraph (2), he shall, from time to time, reallot the number not required, on such dates as he may fix, to other States in proportion to the original allocation to such States under paragraph (2), but with such proportionate number for any of such other States being reduced to the extent it exceeds the number the Commissioner determines such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallocated among the States whose proportionate numbers were not so reduced.

(d) A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended, educational services in which children enrolled in private elementary and secondary schools can participate.

(e)(1) No arrangement may be entered into under the provisions of paragraph (1), (2), (3), (5), or (6) of subsection (a) of this section unless that arrangement is prepared with the participation of a council which is elected in accordance with the provisions of this subsection. Each council shall be representative of the community in which the project subject to that arrangement is located and of the parents of the students of the elementary or secondary schools, or both, to be served by any such project.

(2) Each council elected pursuant to this subsection shall participate with the local educational agency or institution of higher education, or both, in the planning, carrying out, and evaluation of projects subject to arrangements under paragraphs (1), (2), (3), (5), and (6) of subsection (a) of this section.

(3) The Commissioner is authorized in each fiscal year to arrange for the payment of necessary secretarial and administration expenses of each council elected pursuant to the provisions of this subsection for the purposes of carrying out its functions under this subsection.

(f) The Commissioner shall establish procedures designed to assure that, with respect to Teacher Corps members enrolled after the date of enactment of the Education Amendments of 1976, a ratio is maintained of five teachers who are employed by a local educational agency at the time of their enrollment to one individual who has not been so employed. The Commissioner may waive the requirement of this subsection if he makes a determination that there are insufficient applicants to maintain the ratio required by this subsection or that there are insufficient employment opportunities for individuals who are not so employed and submits a report to the Congress of such a determination.

(g) Notwithstanding any other provision of law, the Commissioner shall develop and establish specific criteria for entering into arrangements under this title in order to assist applicants for assistance under this title to develop proposals to be submitted. Criteria established under this subsection shall be used by the Commissioner in selecting proposals under this title.

COMPENSATION

SEC. 514. (a) An arrangement made with a local educational agency pursuant to paragraph (3) of section 513(a), or arrangement with a local educational agency or institution of higher education pursuant to paragraph (5) of section 513(a), or an arrangement with any agency pursuant to paragraph (6) of section 513(a), shall provide for compensation by such agency of Teacher Corps member during the period of their assignment to it at the following rates:

(1) an experienced teacher who is leading a teaching team shall be compensated at a rate agreed to by such agency and the Commissioner;

(2) a teacher intern shall be compensated at such rates as the Commissioner may determine to be consistent with the nature of the program and with prevailing practices under comparable federally supported programs or local projects, not to exceed $150 per week plus $15 per week for each dependent; and

(3) tutors and instructional assistants shall be compensated at such rates as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported work-study programs.

(b) For any period of training under this part the Commissioner shall pay to members of the Teacher Corps such stipends (including allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

(c) The Commissioner shall pay the necessary travel expenses of members of the Teacher Corps and their dependents and necessary expenses for the transportation of the household goods and personal effects of such members and their dependents, and such other necessary expenses of members as are directly related to their services in the Corps, including readjustment allowances proportionate to service.

(d) The Commissioner is authorized to make such arrangements as may be possible, including the payment of any costs incident thereto, to protect the tenure, retirement rights, participation in a medical insurance program, and such other similar employee benefits as the Commissioner deems appropriate, of a member of the Teacher Corps who participates in any program under this subpart and who indicates his intention to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service under this subpart.

(e) The Commissioner is authorized to provide medical (including hospitalization) insurance for members of the Teacher Corps who do not otherwise obtain such insurance coverage either under an arrangement made pursuant to subsection (d) of this section or as an incident of an arrangement between the Commissioner and an institution or a State or local educational agency pursuant to section 513.

(f) The Commissioner is authorized to compensate local educational agencies for released time for educational personnel of the agency who are being trained in Teacher Corps projects assisted under this title.

APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. 515. (a) Except as otherwise specifically provided in this section, a member of the Teacher Corps shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(c) Such members shall be deemed to be employees of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

(d) Members of the Teachers Corps shall not be eligible to receive payment of a student loan under title II of the National Defense Education Act of 1958 or of an educational opportunity grant under title IV of this Act.

LOCAL CONTROL PRESERVED

SEC. 516. Members of the Teachers Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (3) of section 513(a), such agencies shall retain the authority to—

(1) assign such members within their systems;
(2) make transfers within their systems;
(3) determine the subject matter to be taught;
(4) determine the terms and continuance of the assignment of such members within their systems.

MAINTENANCE OF REPORT

SEC. 517. No member of the Teacher Corps shall be furnished to any local educational agency under the provisions of this subpart if such agency will use such member to replace any teacher who is or would otherwise be employed by such agency.

TEACHING CHILDREN OF MIGRATORY AGRICULTURAL WORKERS

SEC. 517A. For purposes of this part the term "local educational agency" includes any State educational agency or other public or private nonprofit agency which provides a program or project designed to meet the special educational needs of migratory children of migratory agricultural workers, and any reference in this part to (1) teaching in the schools of a local educational agency includes teaching in any such program or project and (2) "migratory children of migratory agricultural workers" shall be deemed to continue to refer to such children for a period, not in excess of five years, during which they reside in the area served by the local educational agency.

[Subpart 2—Attracting and Qualifying Teachers To Meet Critical Teacher Shortages *

[PROGRAM AUTHORIZED

[SEC. 518. The Commissioner shall carry out a program for making grants to States to enable them to support the efforts of local communi-

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[*Effective Sept. 30, 1976.

ties experiencing critical teacher shortages, or the efforts of State educational agencies, (1) to attract to teaching persons in the community who have been otherwise engaged and to provide them, through short-term intensive training programs and subsequent in-service training, with the qualifications necessary for a successful career in teaching, (2) to obtain the services of teacher aides and provide them with the necessary training with a view to increasing the effectiveness of classroom teachers, (3) to encourage volunteers (including high school and college students) for service as part-time tutors or full-time instructional assistants for educationally disadvantaged children, (4) to compensate such tutors and instructional assistants at such rates as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported work-study programs, and (5) to provide necessary training to teachers to enable them to teach other grades or other subjects in which such agencies have a teacher shortage.

[ALLOTMENT TO STATES

[SEC. 519. (a) From the amount available for grants under this subpart for any fiscal year the Commissioner shall reserve such amount, but not in excess of 3 per centum thereof, as he may determine and shall allot such amount among Puerto Rico, Guam, American Samoa, the Virgin Islands, the Canal Zone, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this subpart. From the remainder of such sums, the Commissioner shall apportion $100,000 to each State, and shall then apportion to each State such part of the amount remaining which bears the same ratio to the total of such amount as the number of children enrolled in the public and private elementary and secondary schools of that State bears to the total number of children so enrolled in such schools in all of the States. The number of children so enrolled shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him. For purposes of this subsection, the term "State" shall not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Canal Zone, and the Trust Territory of the Pacific Islands.

[(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly realloted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year from funds appropriated pursuant to section 519 shall be deemed part of its allotment under subsection (a) for such year.

[STATE PLANS

[SEC. 520. (a) Any State which desires to receive grants under this subpart shall submit to the Commissioner, through its State educational agency, a State plan, in such detail as the Commissioner deems necessary, which--

[(1) designates the State educational agency as the sole State agency for administration of the State plan;

[(2) sets forth a program under which funds paid to the State from its allotment under section 519 will be expended solely for (A) programs of local educational agencies or of the State educational agency, or both, to attract to teaching, persons in the community who have been otherwise engaged and to provide short-term intensive training and subsequent in-service training to qualify such persons for teaching, (B) programs of such agencies to obtain the services of teacher aides and to provide them with the preservice or in-service training they need to perform their duties as teacher aides, (C) programs of such agencies to employ high school and college students as tutors or instructional assistants for educationally disadvantaged children, (D) programs of such agencies to compensate such tutors and instructional assistants at such rates as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported work-study programs, (E) programs of such agencies to provide necessary training to teachers to enable them to teach other grades or other subjects in which such agencies have a teacher shortage, and (F) administration of the State plan, except that the amount used for administration of the State plan for any fiscal year shall not exceed an amount equal to 5 per centum of the amount paid to the State under this subpart for that year or $20,000, whichever is greater;

[(3) with respect to so much of the State program as is to be carried out by local educational agencies, (A) provides assurance that every local educational agency whose application for funds under the plan is denied will be given an opportunity for a fair hearing before the State educational agency and (B) sets forth the policies and procedures to be followed in allocating Federal funds to local educational agencies in the State, which policies and procedures shall insure that such funds will be allocated to local educational agencies having the most urgent need for teachers and teacher aides or for the retraining of teachers;

[(4) provides that training under a program described in paragraph (2)(A) will be provided only to persons who will, upon completion of their short-term training have the qualifications for teaching in elementary or secondary schools in the community, and that training under a program described in paragraph (2)(B) will be provided only to persons who show promise of being able with appropriate training to serve competently as a teacher aide;

[(5) provides assurance that no person will be denied admission to training programs carried on under this subpart because he is teaching or is preparing to teach or serve as a teacher aide in a private school;

[(6) sets forth policies and procedures designed to assure that Federal funds made available under this subpart for any fiscal year will be so used as to supplement, and not supplant, funds which are available from State or local sources for purposes for which grants may be made under this subpart;

[(7) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including any such funds paid by the State to any other public agency) under this subpart; and

[(8) provides for making such reports, in such form and containing such information, as the Commission may reasonably require to carry out his functions under this subpart, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

[(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

[PAYMENTS TO STATES

[SEC. 520A. From the amounts allotted to each State under section 519 the Commissioner shall pay to that State an amount equal to the amount expended by the State in carrying out its State plan. Such payments may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

[ADMINISTRATION OF STATE PLANS

[SEC. 520B. (a) The Commissioner shall not finally disapprove any State plan submitted under this subpart or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

[(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to such State agency finds—

[(1) that the State plan has been so changed that it no longer complies with the provisions of section 520(a), or

[(2) that in the administration of the plan there is a failure to comply substantially with any such provisions,

the Commissioner shall notify such State agency that the State will not be regarded as eligible to participate in the program under this subpart until he is satisfied that there is no longer any such failure to comply.

[JUDICIAL REVIEW

[SEC. 520C. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 520(a) or with his final action under section 520B (b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

[(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

[(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.]

[PART C—FELLOWSHIP FOR TEACHERS AND RELATED EDUCATIONAL PERSONNEL *

[STATEMENT OF PURPOSE

[SEC. 521. The Congress hereby declares it to be the policy of the United States to improve the quality of education offered by the schools of the Nation by improving the quality of the education of persons who are pursuing or who plan to pursue a career in elementary and secondary education or postsecondary vocational education. The purpose of this part is to carry out this policy by awarding fellowships for graduate study at institutions of higher education and by developing or strengthening programs for the education of teachers and related educational personnel in institutions of higher education. For the purposes of this part the term "elementary and secondary education" includes preschool and adult and vocational education, and the term "career in elementary and secondary education or postsecondary vocational education" means a career of teaching in elementary or secondary schools (including teaching in preschool and adult and vocational education programs, and including teaching children of limited English-speaking ability) or in postsecondary vocational schools, a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers, a career in the administration of such schools or a career in fields which are directly related to teaching in such schools, such as library science, school nursing, school social work, guidance and counseling, educational media (including educational and instructional television and radio), child development, and special education for handicapped children; and for gifted and talented children.

[FELLOWSHIPS AUTHORIZED

[SEC. 522. The Commissioner is authorized to award fellowships in accordance with the provisions of this part for graduate study leading to an advanced degree for persons who are pursuing or plan to

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[*Effective Sept. 30, 1976.

pursue a career in elementary and secondary education or postsecondary vocational education.

[ALLOCATION OF FELLOWSHIP

[SEC. 523. The Commissioner shall allocate fellowships under this part to institutions of higher education with programs approved under the provisions of section 524(a) of this title for the use of individuals accepted into such programs, in such manner and according to such plan as will most nearly—

[(1) provide an equitable distribution of such fellowships throughout the States, taking into account such factors as the number of children in each State who are aged three to seventeen and the undergraduate student enrollment in institutions of higher education in each State, except that to the extent that the National Advisory Council on Education Professions Development determines that an urgent need for a certain category of educational personnel is unlikely to be met without preference in favor of such a category over other categories of educational personnel, the Commissioner may give preference to programs designed to meet that need, but in no case shall such preferred programs constitute more than 50 per centum of the total number of fellowships awarded in any fiscal year, and

[(2) encourage experienced teachers in elementary or secondary schools or postsecondary vocational schools and other experienced personnel in elementary or secondary education or postsecondary vocational education to enter graduate programs, attract recent college graduates to pursue a career in elementary and secondary education or postsecondary vocational education, and afford opportunities for college graduates engaged in other occupations or activities to pursue or return to a career in elementary and secondary education or postsecondary vocational education.

[APPROVAL OF PROGRAMS; GRANTS

[SEC. 524. (a) The Commissioner shall approve a graduate program of an institution of higher education only upon application by the institution and only upon his finding—

[(1) that such program will substantially further the objective of improving the quality of education of persons who are pursuing or intend to pursue a career in elementary and secondary education or postsecondary vocational education,

[(2) that such program gives emphasis to high-quality substantive courses,

[(3) that such program is of high quality and either is in effect or readily attainable, and

[(4) that only persons who demonstrate a serious intent to pursue or to continue a career in elementary and secondary education or postsecondary vocational education will be accepted for study in the program.

[For the purpose of obtaining an appropriate geographical distribution of high-quality programs for the training of personnel for elementary or secondary education, the Commissioner is authorized to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs which meet or, as a result of the assistance received under this subsection will be enabled to meet, the requirements of subsection (a).

[STIPENDS

[SEC. 525. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

[(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs.

[LIMITATION

[SEC. 526. No fellowship shall be awarded under this part for study at a school or department of divinity.

[FELLOWSHIP CONDITIONS

[SEC. 527. A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in section 525(a) only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than such part-time employment in teaching, research, or similar activities related to his training as has been approved by the Commissioner.]

[PART D—IMPROVING TRAINING OPPORTUNITIES FOR PERSONNEL SERVING IN PROGRAMS OF EDUCATION OTHER THAN HIGHER EDUCATION] *

[ADVANCED TRAINING AND RETRAINING]

[SEC. 531. (a) The Commissioner is authorized to make grants to, or contracts with, institutions of higher education and State educational agencies, and to make grants to, or contracts with, local educational agencies if, after consultation with the State educational agency, such State agency is satisfied that the program or project will be coordinated with programs carried on under part B, for carrying out programs or projects to improve the qualifications of persons who are serving or preparing to serve in educational programs in elementary and secondary schools (including preschool and adult and vocational education programs) or postsecondary vocational schools or to supervise or train persons so serving.

[*Effective Sept. 30, 1976.

[(b) Programs or projects under this section may include, among others—

[(1) programs or projects to train or retrain teachers, or supervisors or trainers of teachers, in any subject generally taught in the schools;

[(2) programs or projects to train or retrain other educational personnel in such fields as guidance and counseling (including occupational counseling), school social work, child psychology, remedial speech and reading, child development, and educational media (including educational or instructional television or radio);

[(3) programs or projects to train teacher aides and other nonprofessional educational personnel;

[(4) programs or projects to provide training and preparation for persons participating in educational programs for children of preschool age;

[(5) programs or projects to prepare teachers and other educational personnel to meet the special needs of the socially, culturally, and economically disadvantaged;

[(6) programs or projects to prepare teachers and other educational personnel to meet the special needs of exceptionally gifted students;

[(7) programs or projects to train or retrain persons engaging in programs of special education for the handicapped;

[(8) programs or projects to train or retrain persons engaging in special educational programs for children of limited English-speaking ability;

[(9) programs or projects to provide in-service and other training and preparation for school administrators;

[(10) programs or projects to prepare artists, craftsmen, scientists, artisans, or persons from other professions or vocations, or homemakers to teach or otherwise assist in programs or projects of education on a long-term, short-term or part-time basis.

[(11) programs or projects (including cooperative arrangements or consortia between institutions of higher education, junior and community colleges, or between such institutions and State or local educational agencies and nonprofit education associations) for the improvement of undergraduate programs for preparing educational personnel, including design, development and evaluation of exemplary undergraduate training programs, introduction of high quality and more effective curricula and curricular materials, and the provision of increased opportunities for practical teaching experience for prospective teachers in elementary and secondary schools; and

[(12) programs and projects designed to meet the need for the training of teachers for participation in education programs for migratory children of migratory agricultural workers, including teacher exchange programs.

[(c) Grants or contracts under this section may provide for use of funds received thereunder only to pay the cost of—

[(1) short-term or regular-session institutes;

[(2) other preservice and in-service training programs or projects designed to improve the qualifications of persons entering and reentering the field of elementary and secondary education or postsecondary vocational education, except that funds may not be used for seminars, symposia, workshops, or conferences unless these are part of a continuing program of in-service or preservice training;

[(3) projects or programs to improve undergraduate or other programs for training educational personnel; or

[(4) such activities as may be necessary to carry out the purposes of clause (12) of subsection (b), to the extent that such activities are not inconsistent with the other provisions of this part.

[(d) The Commissioner may include in the terms of any grant or contract under this section provisions authorizing the payment, to persons participating in training programs supported under this section, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents as he may determine, which shall be consistent with prevailing practices under comparable federally supported programs).

[TEACHERS FOR INDIAN CHILDREN

[SEC. 532. Of the sums made available for the purposes of this part, not less than 5 per centum shall be used for grants to, and contracts with, institutions of higher education and other public and private nonprofit agencies and organizations for the purpose of preparing persons to serve as teachers of children living on reservations serviced by elementary and secondary schools for Indian children operated or supported by the Department of the Interior, including public and private schools operated by Indian tribes and by nonprofit institutions and organizations of Indian tribes. In carrying out the provisions of this section preference shall be given to the training of Indians.

[DISTRIBUTION OF TRAINING PROGRAMS

[SEC. 533. In making grants and contracts for programs and projects under this part, the Commissioner shall seek to achieve an equitable geographical distribution of training opportunities throughout the Nation, taking into account the number of children in each State who are aged three to seventeen.]

[PART E—TRAINING PROGRAMS FOR HIGHER EDUCATION PERSONNEL*

[PROGRAMS AND PROJECTS

[SEC. 541. (a) The Commissioner is authorized to make grants to, or contracts with, institutions of higher education to assist them in training persons who are serving or preparing to serve as teachers, administrators, or educational specialists in institutions of higher education.

[(b) Grants or contracts under this section may provide for use of funds received thereunder only to assist in covering the cost of courses of training or study (including short-term or regular-session

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[*Effective Sept. 30, 1978.

institutes and other preservice and in-service training programs) for such persons, and for establishing and maintaining fellowships or traineeships, except that funds may not be used for fellowships which are eligible for support under title IV of the National Defense Education Act of 1958, or for seminars, conferences, symposia, and workshops unless these are part of a continuing program of in-service or preservice training.

[*(c) The Commissioner* may make a grant to or enter into a contract with an institution of higher education only upon application by the institution and only upon his finding that such program will substantially improve educational opportunities throughout the Nation for training for persons who have or are preparing to undertake teaching or administrative responsibilities in institutions of higher education or the responsibilities of an educational specialist in such institution.

[STIPENDS

[SEC. 542. The Commissioner may include in the terms of any arrangement with an institution of higher education under this part provisions authorizing the payment, to persons participating in training programs supported under this part, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine, which shall be consistent with prevailing practices under comparable federally supported programs.]

[PART F—TRAINING AND DEVELOPMENT PROGRAMS FOR VOCATIONAL EDUCATIONAL PERSONNEL*

[STATEMENT OF PURPOSE

[SEC. 551. It is the purpose of this part to provide opportunities for experienced vocational educators to spend full-time in advanced study of vocational education for a period not to exceed three years in length; to provide opportunities to update the occupational competencies of vocational education teachers through exchanges of personnel between vocational education programs and commercial, industrial, or other public or private employment related to the subject matter of vocational education; and to provide programs of inservice teacher education and short-term institutes for vocational education personnel.

[LEADERSHIP DEVELOPMENT AWARDS

[SEC. 552. (a) In order to meet the needs in all the States for qualified vocational education personnel (such as administrators, supervisors, teacher educators, researchers, and instructors in vocational education programs) the Commissioner shall make available leadership development awards in accordance with the provisions of this part only upon his determination that—

[(A) persons selected for awards have had not less than two years of experience in vocational education or in industrial training, or military technical training; or, in the case of researchers,

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[*Effective Sept. 30, 1976.

experience in social science research which is applicable to vocational education; or

[(B) persons receiving such awards are currently employed or are reasonably assured of employment in vocational education and have successfully completed, as a minimum, a baccalaureate degree programs; or

[(C) persons selected are recommended by their employer, or others, as having leadership potential in the field of vocational education and are eligible for admission as a graduate student to a program of higher education approved by the Commissioner under subsection (c).

[(b)(1) The Commissioner shall pay to persons selected for leadership development awards such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

[(2) The Commissioner shall, in addition to the stipends paid to persons under paragraph (1), pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with the prevailing practices under comparable federally supported programs not to exceed the equivalent of $3,500 per academic year, but any amount charged such person for tuition and nonrefundable fees and deposits shall be deducted from the amount payable to the institution of higher education under this subsection.

[(c) The Commissioner shall approve the vocational education leadership development program of an institution of higher education by the institution only upon finding that—

[(1) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, guidance and counseling research, and curriculum development;

[(2) such program is designed to further substantially the objective of improving vocational education through providing opportunities for graduate training and vocational education teachers, supervisors, and administrators, and of university level vocational education teacher educators and researchers;

[(3) such programs are conducted by a school of graduate study in the institution of higher education; and

[(4) such program is also approved by the State board for vocational education in the State where the institution is located.

[(d) In order to meet the needs for qualified vocational education personnel such as teachers, administrators, supervisors, and teacher educators, in vocational education programs in all the States, the Commissioner in carrying out this section shall apportion leadership development awards equitably among the States, taking into account such factors as the State's vocational education enrollments, and the incidence of youth unemployment and school dropouts in the State.

[(e) Persons receiving leadership awards under the provisions of this section shall continue to receive the payments provided in subsection (b) only during such periods as the Commissioner finds that they are maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field of vocational education in an institution of higher education, and are not engaging in gainful employment, other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.

[EXCHANGE PROGRAMS, INSTITUTES, AND IN-SERVICE EDUCATION FOR VOCATIONAL-EDUCATION TEACHERS, SUPERVISORS, COORDINATORS, AND ADMINISTRATORS

[SEC. 553. (a) The Commissioner is authorized to make grants to State boards, as defined in the Vocational Education Act of 1963, to pay the cost of carrying out cooperative arrangements for the training or retraining of experienced vocational education personnel such as teachers, teacher educators, administrators, supervisors, and coordinators, and other personnel, in order to strengthen education programs supported by this part and the administration of schools offering vocational education. Such cooperative arrangements may be between schools offering vocational education and private business or industry, commercial enterprises, or with other educational institutions (including those for the handicapped and delinquent).

[(b) Grants under this section may be used for projects and activities such as—

[(1) exchange of vocational education teachers and other staff members with skilled technicians or supervisors in industry (including mutual arrangements for preserving employment and retirement status, and other employment benefits during the period of exchange), and the development and operation of cooperative programs involving periods of teaching in schools providing vocational education and of experience in commercial, industrial, or other public or private employment related to the subject matter taught in such school;

[(2) in-service training programs for vocational education teachers and other staff members to improve the quality of instruction, supervision, and administration of vocational education programs; and

[(3) short-term or regular-session institutes, or other preservice and in-service training programs or projects designed to improve the qualifications of persons entering and reentering the field of vocational education, except that funds may not be used for seminars, symposia, workshops or conferences unless these are part of a continuing program of in-service or preservice training.

[(c) A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

[(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (b), and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

[(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (b), and in no case supplant such funds;

(3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

[(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

[FAMILIARIZING TEACHERS WITH NEW CURRICULAR MATERIALS

[SEC. 554. In approving training and development programs for vocational education personnel, the Commissioner shall give special consideration to programs which are designed to familiarize teachers with new curricular materials in vocational education.]

PART B—TEACHER TRAINING PROGRAMS

AUTHORIZATION OF APPROPRIATIONS

SEC. 531. (a) There are authorized to be appropriated $75,000,000 for the fiscal year 1977 and for each of the fiscal years ending prior to October 1, 1982, to carry out the provisions of this part, other than the provisions of section 532. Of the sums so appropriated for any fiscal year not less than 16 per centum shall be available for each of the programs authorized by section 533, 534, and 535.

(b)(1) There are authorized to be appropriated not to exceed $500,000 for any fiscal year for the purpose of enabling the Council on Teacher Training and Assistance to carry out its responsibilities under section 532.

(2) There are authorized to be appropriated such sums as may be necessary for any fiscal year ending prior to October 1, 1982, subject to the provisions of section 532, to implement the plan established pursuant to that section.

TEACHER TRAINING SURVEY AND ASSESSMENTS

SEC. 532. (a)(1) The National Center for Education Statistics, subject to the guidance and supervision of the Council established pursuant to subsection (b), shall——

"(A) conduct a continuing survey of institutions of higher education and local education agencies to determine the availability of and demand for qualified teachers and administrative personnel to meet service needs in local educational agencies and other educational agencies and institutions;

(B) conduct a survey of the availability of such teachers and personnel to meet service needs in the national priority education areas;

(C) assess additional training needs of teachers and administrative personnel who are otherwise available for service in national priority education areas;

(D) assess the needs for such teachers and personnel in critical education areas which are emerging or are likely to emerge in the foreseeable future;

(E) assess the existing training programs for such teachers and personnel, administered in the education division, to determine the extent to which such programs are preparing to meet the needs described in the preceding clauses of this paragraph; and

(F) submit to the Congress at least annually a report on the surveys and assessments required under this paragraph, making recommendations for policies, programs, and activities to meet unmet needs relating to such teachers, personnel, and programs.

(b)(1) The Commissioner shall establish, and appoint the members of, a Council on Teacher Training Surveys and Assessments after receiving recommendations from professional, labor-affiliated, and scholarly associations of teachers and administrators, teacher educators, institutions of higher education, schools of education, and State and local educational agencies. The Council shall be composed of fifteen members generally representative of the members of such organizations and of persons with demonstrated interest and expertise in the field of teacher training. The Council shall engage such personnel and technical assistance as may be required to carry out its functions under this section.

(2)(A) Not less frequently than once each year, the Council shall, on the basis of the survey carried out pursuant to clause (A) of paragraph (1), assess the availability of qualified teachers and administrative personnel to meet service needs in national priority education areas.

(B) For the purposes of this section, the term "national priority education areas" means any educational need or process which has been determined to require a national emphasis and priority as a result of—

(i) enactment of legislation establishing a program of financial assistance to educational agencies or institutions to meet an educational need; or

(ii) a report submitted in accordance with paragraph (3).

(C) In making such assessment, the Council may initiate and conduct such other surveys and assessments as are appropriate and necessary. The Council may conduct such surveys in cooperation with State educational agencies and local educational agencies.

(3)(A) Whenever the Council determines that there is a critical need for such teachers and personnel in an educational area for which the Congress has not enacted a program of financial assistance described in clause (i) of paragraph (2)(B), the Council shall submit a special report to the Congress recommending that educational area as a national priority education area.

(B) Such report shall include recommendations with respect to the means by which the unmet need for qualified teachers in the national priority education area may be met and an estimate of the cost thereof.

(C) Prior to submitting any report under this paragraph, the Council shall publish the initial proposal in the Federal Register, and provide notice of opportunity for a public hearing, including an opportunity to submit comments with respect to, any proposed determination of a national priority education area.

(4)(A) After submitting each report under paragraph (3), the Council shall submit to the Congress a plan for carrying out aspects of the recommendations included in such report which require additional teachers and personnel or the improvement of the qualifications of existing teachers and personnel, as described in clauses (A) through (E) of paragraph (1) of subsection (a) of this section.

(B) Prior to submitting any plan under paragraph (3) the Council shall publish the plan in the Federal Register, and provide notice and opportunity for a public hearing, including an opportunity to submit comments with respect to, the contents of the proposed plan.

(c)(1) Not later than ninety days after the submission of the plan to the Council pursuant to paragraph (4) of subsection (b), the Commissioner shall prepare and submit to the Congress a cost estimate for implementing that plan.

(2) The plan established under this subsection shall be implemented only upon the appropriation of sums specifically identified for implementing such a plan.

TEACHER CENTERS

Sec. 533. (a)(1) The Commissioner is authorized to make grants to local educational agencies in accordance with the provisions of this section to assist such agencies in planning, establishing, and operating teachers centers.

(2) For the purpose of this section, the term "teachers centers" means any site operated by a local educational agency (or a combination of such agencies) which serves teachers, from public and nonpublic schools of a State or an area or community within a State, in which teachers, with the assistance of such consultants and experts as may be necessary, may—

(A) develop and produce curricula designed to meet the educational needs of the persons in the community, area, or State being served, including the use of educational research findings or new or improved methods, practices, and techniques in the development of such curricula; and

(B) provide training to improve the skills of teachers to enable such teachers to meet the special educational needs of persons such teachers serve better, and to familiarize such teachers with developments in curriculum development and educational research including the manner in which the research can be used to improve their teaching skills.

(b) Each teacher center shall be operated under the supervision of a teacher center policy board, the majority of which is representetive of elementary and secondary classroom teachers to be served by such center. Such board shall also include individuals representative of, or designated by, any school board of the local educational agency served by such center.

(c)(1) Any local educational agency desiring to receive a grant under this section shall make application therefor at such time, in such

manner, and containing or accompanied by such information, as the Commissioner may by regulation require. Each application shall be submitted through the State educational agency of the State in which the applicant is located. Each such State agency shall review the application, make comments thereon, and recommend each application the State agency finds should be approved. Only applications so recommended shall be transmitted to the Commissioner for his approval.

(2) Any local educational agency which has submitted an application in accordance with paragraph (1) of this subsection which is dissatisfied with the action of the appropriate State educational agency may petition the Commissioner for a request for further consideration by the State educational agency.

(d) In approving any application under this section, the Commissioner shall insure that there is adequate provision for the provision of technical assistance to, and dissemination of information derived from, the proposed teacher center by the appropriate State educational agency. Such State agency shall be adequately compensated by the Commissioner for such review of applications, recommendations, submissions, technical assistance, and dissemination services.

(e) Any local educational agency having an application approved under this section may contract with an institution of higher education to carry out activities under, or provide technical assistance in connection with, such application.

(f) Notwithstanding the provisions of subsection (a)(1) of this section with respect to the requirement that teacher centers be operated by local educational agencies, 10 per centum of the funds expended under this section may be expended directly by the Commissioner to make grants to institutions of higher education to operate teacher centers subject to the other provision of this section.

TRAINING FOR HIGHER EDUCATION PERSONNEL

Sec. 534. (a) The Commissioner is authorized to make grants to institutions of higher education to assist such institutions in the training of individuals—

(1) preparing to serve as teachers, including guidance and counseling personnel, administrative personnel or education specialists in institutions of higher education if such individuals are either (A) from cultural or educational backgrounds which have hindered such individuals in achieving success in the field of education, or (B) preparing to serve in educational programs designed to meet the special needs of students from such backgrounds; or

(2) serving as teachers, including guidance and counseling personnel, administrative personnel or education specialists in institutions of higher education, if such individuals are to be trained to meet changing personnel needs, such as in areas determined to be national priority areas pursuant to section 532 of this title.

(b) Grants made under this section may be used only to assist in paying the cost of courses of training or study, including short term or regular institutes, symposia or other inservice training, for teachers, including guidance and counseling personnel, administrative per-

sonnel, or educational specialists in institutions of higher education, and for fellowships and traineeships for such individuals.

(c) The Commissioner may include in any arrangement with an institution of higher education made under this section provisions for the payment of such stipends (including allowances for subsistence and other expenses for such individuals and their dependents) as he may deem to be necessary.

GRANTS FOR IMPROVEMENT OF GRADUATE PROGRAMS OF EDUCATION

SEC. 535. (a) The Commissioner is authorized to make grants in accordance with the provisions of this section to institutions of higher education to assist them to strengthen and to improve programs of instruction in education at the graduate level in such institutions.

(b) Grants under this section may be used by an institution of higher education to assist any school, college, or department of education in that institution to develop programs of instruction in education at the graduate level to meet changing personnel teacher needs, including such needs in areas determined to be national priority areas pursuant to section 532 of this part, and new and expanding professions having a need for teachers (including guidance and counseling personnel). Any arrangement entered into under this section may include in such program of instruction provisions for (1) research findings and new and improved educational techniques; (2) assistance in the development of cooperative arrangements with State and local educational agencies for inservice training for teachers, including guidance and counseling personnel, and administrators; and (3) assistance for training faculty at any school, college, or department of such institution for service in projects and activities assisted under this section.

(c) No grant may be made under this section to any school, college, or department of education unless such school, college, or department is accredited by a nationally recognized accrediting agency which is determined by the Commissioner to be a reliable authority on teacher training programs.

TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

PART A—EQUIPMENT

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 601. (a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

(b) [There are hereby authorized to be appropriated $35,000,000 for the fiscal year ending June 30, 1966, $50,000,000 for the fiscal year ending June 30, 1967, $60,000,000 for the fiscal year ending June 30, 1968, $13,000,000 for the fiscal year ending June 30, 1969, and $60,000,000 for each of the succeeding fiscal years ending prior to July 1, 1975.] *There are authorized to be appropriated $60,000,000 for each of the fiscal years ending prior to October 1, 1982*, to enable the Commissioner to make grants to institutions of higher education and combinations of institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 603(2)(A).

(c) **[**There are also authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1966, $10,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year, $1,500,000 for the fiscal year ending June 30, 1969, and $10,000,000 for each of the succeeding fiscal years ending prior to July 1, 1975.**]** *There are authorized to be appropriated $10,000,000 for each of the fiscal years ending prior to October 1, 1982,* to enable the Commissioner to make grants to institutions of higher education and combinations of institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 603(2)(B).

* * * * * * *

TITLE VII—CONSTRUCTION OF ACADEMIC FACILITIES

PART A—GRANTS FOR THE CONSTRUCTION OF UNDERGRADUATE ACADEMIC FACILITIES

SEC. 701. (a) The Commissioner shall carry out a program of grants to institutions of higher education for the construction of academic facilities in accordance with this part.

(b) For the purpose of making grants under this part, there are hereby authorized to be appropriated **[**$50,000,000, for the fiscal year ending June 30, 1972, $200,000,000 for the fiscal year ending June 30, 1973, and $300,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975.**]** *$300,000,000, for each of the fiscal years ending prior to October 1, 1982.*

(c) Of the sums appropriated pursuant to section 701(b), 24 per centum shall be reserved by the Commissioner and allotted among the States under section 702. The remainder of such sums shall be available for allotment among the States under section 703.

(20 U.S.C. 1132a) Enacted June 23, 1972, P.L. 92-318, sec. 161, 86 Stat. 288.

PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

SEC. 702. (a) Sums reserved pursuant to the first sentence of section 701(c) shall be available for allotments to States for providing academic facilities for public community colleges and public technical institutes.

(b) From the sums available for any fiscal year for the purposes of this section, the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the product of—

(1) the number of high school graduates of the State, and

(2) the State's allotment ratio,

bears to the sum of the corresponding products for all the States. The amount allotted to any State under the preceding sentence for any fiscal year which is less than $50,000 shall be increased to $50,000, the total of increases thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than $50,000.

(c)(1) From the sums available for any fiscal year for amount allotted to a State under this section shall be available for the payment of the Federal share of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes.

(2) Any portion of a State's allotment under this section for any fiscal year for which applications from an institution qualified to receive grants under this section have not been received prior to January 1 of such fiscal year by the State Commission created or designated pursuant to section 1202 shall, if the State Commission so requests, be available for payment of the Federal share of the development cost of approved projects under section 703.

(d) All amounts allotted under this section for any fiscal year which are not reserved as provided in section 701(c) by the close of the fiscal year for which they are allotted shall be reallotted by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallotted for the purpose set forth in subsection (c)(1). Amounts reallotted under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

(e) For the purposes of clause (2) of subsection (b) the "allotment ratio" for any State shall be 1.00 less the product of (A) 0.50 and (B) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam), except that (i) the allotment ratio shall in no case be less than 0.33⅓ or more than 0.66⅔, (ii) the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam shall be 0.66⅔, and (iii) the allotment ratio of any State shall be 0.50 for any fiscal year if the Commissioner finds that the cost of school construction in such State exceeds twice the median of such costs in all the States as determined by him on the basis of statistics and data as the Commissioner shall deem adequate and appropriate. The allotment ratios shall be promulgated by the Commissioner as soon as possible after June 30, 1972, and annually thereafter, on the basis of the average of the incomes per person of the State and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

(f) For the purpose of this section, the term "high school graduate" means a person who has received formal recognition (by diploma, certificate, or similar means) from an approved school for successful completion of four years of education beyond the first eight years of schoolwork, or for demonstration of equivalent achievement. For the purposes of this section the number of high school graduates shall be limited to the number who graduated in the most recent school year for which satisfactory data are available from the Department of

Health, Education, and Welfare. The interpretation of the definition of "high school graduate" shall fall within the authority of the Commissioner.

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PART B—GRANTS FOR CONSTRUCTION OR GRADUATE ACADEMIC FACILITIES

AUTHORIZATION

SEC. 721. (a) The Commissioner shall carry out a program of making grants to institutions of higher education to assist them in improving existing graduate schools and cooperative graduate centers, and in establishing graduate schools and cooperative graduate centers of excellence, in order to increase the supply of highly qualified personnel needed by communities, industries, and governments and for teaching and research.

(b) For the purpose of making grants under this part, there are authorized to be appropriated [$20,000,000 for the fiscal year ending June 30, 1972, $40,000,000 for the fiscal year ending June 30, 1973, $60,000,000 for the fiscal year ending June 30, 1974, and $80,000,000 for the fiscal year ending June 30, 1975.] *$80,000,000 for each fiscal year ending prior to October 1, 1982.*

* * * * * * *

PART C—LOANS FOR CONSTRUCTION OF ACADEMIC FACILITIES

AUTHORIZATION

SEC. 741. (a)(1) The Commissioner shall carry out a program of making and insuring loans, in accordance with the provisions of this part.

(2) The Commissioner is authorized to make loans to institutions of higher education and to higher education building agencies for the construction of academic facilities and to insure loans.

(b) For the purpose of making payments into the fund established under section 744, there are hereby authorized to be appropriated [$50,000,000 for the fiscal year ending June 30, 1972, $100,000,000 for the fiscal year ending June 30, 1973, $150,000,000 for the fiscal year ending June 30, 1974, and $200,000,000 for the fiscal year ending June 30, 1975. Sums appropriated pursuant to this subsection for any fiscal year shall be available without fiscal year limitations.] *$200,000,000 for each fiscal year ending prior to October 1, 1982.*

ELIGIBILITY CONDITIONS, AMOUNTS, AND TERMS OF LOANS

SEC. 742. (a) No loan pursuant to this part shall be made unless the Commissioner finds (1) that not less than 20 per centum of the development cost of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure the amount of such loan from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this part, (3) that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials, and (4) that, in the case of a project to construct an infirmary or other facility designed to provide primarily for outpatient care of students and institutional personnel, no financial assistance will be provided such project under title IV of the Housing Act of 1950.

(b) A loan pursuant to this part shall be secured in such manner and shall be repaid within such period not exceeding fifty years, as may be determined by the Commissioner; and it shall bear interest at [(1)] a rate determined by the Commissioner which shall not be less than a per annum rate that is one-quarter of 1 percentage point above the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt as computed at the end of the preceding fiscal year, adjusted to the nearest one-eighth of 1 per centum[, or (2) the rate of 3 per centum per annum, whichever is the lesser.].

GENERAL PROVISION FOR LOAN PROGRAM

SEC. 743. (a) Financial transactions of the Commissioner under this part, except with respect to administrative expenses, shall be final and conclusive on all officers of the Government and shall not be reviewable by any court.

(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such rules and regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of the Commissioner or any vacancy in such office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 517 and 2679 of title 28, United States Code;

(3) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement *except that he shall not foreclose on any property for which he has authorized a loan under this part without making a determination that the recipient of such loan is likely to cease operations in the immediate future or is otherwise unlikely ever to be capable of repaying such loan*, and bid for and purchase at any foreclosure or any other sale any property in connection with which —he has made a loan pursuant to this part; and, in the event of any such acquisition (and notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States), complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property; except that (1) such action shall not preclude any other

action by him to recover any deficiency in the amounts loaned and (2) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdictional in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) subject to the specific liimtations in this part, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which he is a party or which has been transferred to him pursuant to this section *including (A) the granting of a temporary moratorium on the repayment of principal or interest or both to any institution of higher education or higher education building agency the Commissioner finds to be temporarily unable to make such repayment without undue financial hardship, if such institution or agency presents and the the Commission approves a specific plan to make such repayment in showing a schedule for such repayment, and (B) the granting to any such institution or agency for which he has authorized a loan under this part prior to January 1, 1976, the option to pay into the fund established under section 744 an amount to be determined by the Commissioner, but not in excess of 75 per centum of the total current obligation of the institution or agency under this part, in full accord and satisfaction of such total current obligation, if such institution or agency desiring to exercise such an option makes payment from non-Federal sources prior to October 1, 1979;* and

(6) include in any contract or instrument made pursuant to this part such other covenants, conditions, or provisions (including provisions designed to assure against use of the facility, constructed with the aid of a loan under this part, for purposes described in section 782 (1)), as he may deem necessary to assure that the purpose of this part will be achieved.

* * * * * * *

ANNUAL INTEREST GRANTS

SEC. 745. (a) To assist institutions of higher education and higher education building agencies to reduce the cost of borrowing from other sources for the construction of academic facilities, the Commissioner may make annual interest grants to such institutions and agencies.

(b) Annual interest grants to an institution of higher education or higher education building agency with respect to any academic facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were the maximum rate specified in section [744(b)(2)] *742(b)*. The amount on which such grant is based shall be approved by the Secretary.

(c)(1) There are hereby authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants to institutions of higher education and higher education building agencies in accordance with this section.

(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid to institutions of higher education and higher education building agencies in any year pursuant to contracts entered into under this section shall not exceed $5,000,000 which amount shall be increased by $6,750,000 on July 1, 1969, and by $13,500,000 on July 1, 1970 and on July 1 of each of the [four] *six* succeeding years, *and October 1, 1977 and on October 1 of each of the four succeeding fiscal years.*

(d) Not more than 12½ per centum of the funds provided for in this section for grants may be used within any one State.

(e) No annual interest grant pursuant to this section shall be made unless the Commissioner finds (1) that not less than 10 per centum of the development costs of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure a loan in the amount of the loan with respect to which the annual interest grant is to be made, from the other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (3) that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials. For purposes of this section, a loan with respect to which an interest grant is made under this section shall not be considered financing from a non-Federal source. For purposes of the other provisions of this title, such a loan shall be considered financing from a non-Federal source.

ACADEMIC FACILITIES LOAN INSURANCE

Sec. 746. (a)(1) In order to assist nonprofit private institutions of higher education and nonprofit private higher education building agencies to procure loans for the construction of academic facilities, the Commissioner may insure the payment of interest and principal on such loans if such institutions and agencies meet, with respect to such loans, criteria prescribed by or under section 745 for the making of annual interest grants under such section.

(2) No loan insurance under paragraph (1) may apply to so much of the principal amount of any loan as exceeds 90 per centum of the development cost of the academic facility with respect to which such loan was made.

(b)(1) The United States shall be entitled to recover from any institution or agency to which loan insurance has been issued under this section the amount of any payment made pursuant to that insurance, unless the Commissioner for good cause waives its right of recovery. Upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payment with respect to which the payment was made.

(2) Any insurance issued by the Commissioner pursuant to subsection (a) shall be incontestable in the hands of the institution or agency on whose behalf such insurance is issued, and as to any agency, organization, or individual who makes or contracts to make a loan to such institution or agency, in reliance thereon, except for fraud or misrepresentation on the part of such institution or agency or on the part of the agency, organization, or individual who makes or contracts to make such loan.

(c) Insurance may be issued by the Commissioner under subsection (a) only if he determines that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Commissioner determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Commissioner may charge a premium for such insurance in an amount reasonably determined by him to be necesary to cover administrative expenses and probable losses under subsections (a) and (b). Such insurance shall be subject to such further terms and conditions as the Commissioner determines to be necessary.

RECONSTRUCTION AND RENOVATION LOANS

SEC. 747. (a) The Commissioner shall make loans under this section from any unused amounts in the fund established under section 744, notwithstanding any prior restrictions on the use of such amounts, to institutions of higher education and to higher education building agencies for the reconstruction or renovation of academic facilities if the primary purpose of such renovation or reconstruction is—

(1) to conserve energy;

(2) to enable such facilities to meet health or safety requirements imposed under Federal law, if such requirements were not in effect at the time such facilities were constructed; or

(3) to make such facilities comply with the requirements of the the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968.

(b)(1) In determining whether the primary purpose of a proposed renovation or reconstruction is to conserve energy, the Commissioner shall consult with other Federal agencies which have specific expertise in energy conservation.

(2) In determining whether the primary purpose of a proposed renovation or reconstruction is to enable such facility to meet health or safety requirements imposed under a Federal law, the Commissioner shall consult with the Federal agency responsible for the administration of such law.

(3) In determining whether the primary purpose of a proposed renovation or reconstruction is to enable such facility to comply with

the Act of August 12, 1968, the Commissioner shall consult with the Architectural and Transportation Barriers Compliance Board and the Administrator of General Services.

(c)(1) A loan pursuant to this section shall be repaid within such period not exceeding twenty years as may be determined by the Commissioner.

(2) In the event a loan pursuant to this section is repaid within five years, all interest charges shall be waived.

ASSISTANCE FOR CONSTRUCTION OF ACADEMIC FACILITIES

SEC. 762. (a) If the Director of the Office of Emergency [Planning] *Preparedness* determines that a public institution of higher education is, in whole or in part, within an area which, after June 30, 1971, and before [July 1, 1975] *October 1, 1982,* has suffered a disaster which is a major disaster, and if the Commissioner determines with respect to such institution that—

(1) the academic facilities of such institution have been destroyed or seriously damaged as a result of the disaster;

(2) such institution is exercising due diligence in availing itself of State and other financial assistance available for restoration or replacement of such facilities; and

(3) the institution does not have sufficient funds available from such other sources, including proceeds of insurance on the facilities, to provide for the restoration or replacement of such facilities;

the Commissioner is authorized to provide such assistance to such institution as is provided in subsection (b).

(b)(1) Assistance under this section shall be a grant to an eligible institution, as determined under subsection (a), of an amount necessary to enable the institution to carry out the construction necessary to restore or replace the academic facilities determined under clause (1) of subsection (a) to be damaged or destroyed.

(2) The maximum amount of a grant under this section shall not exceed the cost of construction incident to the restoration or replacement of the facilities determined to be damaged or destroyed under clause (1) of subsection (a) less the amount of additional assistance determined under clause (3) of subsection (a) to be available.

(c)(1) Assistance under this section may include a grant of an amount necessary to enable the institution to lease, or otherwise obtain the use of, such facilities as are needed to replace, temporarily, facilities which have been made unavailable as a result of a major disaster.

(2) An institution shall be eligible for assistance under this subsection if it qualifies for assistance under subsection (a), whether or not it receives assistance under subsection (b).

TITLE VIII—NETWORKS FOR KNOWLEDGE

SHARING EDUCATIONAL AND RELATED RESOURCES

SEC. 801. (a) The Commissioner shall carry out a program of encouraging institutions of higher education (including law and other graduate professional schools) to share, to the optimal extent, through cooperative arrangements, their technical and other educational and administrative facilities and resources, and to test and demonstrate the effectiveness and efficiency of a variety of such arrangements, in accordance with this title. The Commissioner is authorized to make grants to, and contracts with, institutions of higher education to pay all or part of the cost of cooperative arrangements and of pilot or demonstration projects designed to accomplish the purpose set forth in the first sentence of this subsection. Such grants may be made to public or nonprofit private colleges or universities. When in the Commissioner's judgment it will more effectively promote the purposes of this title, the Commissioner may make grants to other established public or nonprofit private agencies or organizations, including professional organizations or academic societies and he may enter into contracts with established private agencies and organizations.

(b) Projects for the planning, development, or carrying out of such arrangements assisted under this title may, subject to the provisions of subsection (c), include—

(1)(A) joint use of facilities such as classrooms, libraries, including law libraries, or laboratories, including joint use of necessary books, materials, and equipment; or (B) affording access to specialized library collections, including law library collections, through preparation of interinstitutional catalogs and through development of systems and preparation of suitable media for electronic or other rapid transmission of materials;

(2) establishment and joint operation of closed-circuit television or equivalent transmission facilities (such as the instructional television fixed services); and

(3) establishment and joint operation of electronic computer networks and programs therefor, to be available to participating institutions for such purposes as financial and student records, student course work, or transmission of library materials.

(c)(1) Grants pursuant to clause (B) of paragraph (1) of subsection (b) may not be used to pay the costs of electronic transmission terminals.

(2) In the case of a project for the establishment and operation of a computer network, grants may not include—

(A) the cost of operating administrative terminals or student terminals at participating institutions; or

(B) the cost, or any participating institutionals pro rata share of the cost, of using the central computer facilities of the network, except (i) such costs of systems development and programming of computers and transmission costs as are necessary to make the network operational, (ii) the administrative and program support costs of the central facilities of the network, and (iii) the line-access costs incurred by participating institutions.

APPROPRIATIONS AUTHORIZED

SEC. 802. There are authorized to be appropriated for the purposes of this title [(and planning and related activities in the initial fiscal year for such purpose), $340,000 for the fiscal year ending June 30, 1969, $4,000,000 for the fiscal year ending June 30, 1970, and $15,000,-

000 for the fiscal year ending June 30, 1971, $5,000,000 for the fiscal year ending June 30, 1972, $10,000,000 for the fiscal year ending June 30, 1973, and $15,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975.] *$15,000,000 for each of the fiscal years ending prior to October 1, 1982.*

AUTHORITY FOR FREE OR REDUCED RATE COMMUNICATIONS INTERCONNECTION SERVICES

SEC. 803. Nothing in the Communications Act of 1934, as amended, or in any other provision of law shall be construed to prevent United States communications common carriers from rendering, subject to such rules and regulations as the Federal Communications Commission may prescribe, free or reduced rate communications interconnection services for interconnection system within the purview of this title, whether or not included in a project for which a grant is made under this title.

TITLE IX—GRADUATE PROGRAMS

PART A—GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

PURPOSES; AUTHORIZATION

SEC. 901. (a) It is the purpose of this part to make financial assistance available to institutions of higher education—

(1) to strengthen, improve and where necessary expand the quality of graduate and professional programs leading to an advanced degree (other than a medical degree) in such institutions;

(2) to establish, strengthen, and improve programs designed to prepare graduate and professional students for public service; and

(3) to assist in strengthening undergraduate programs of instruction in the areas described in [clauses (2), (3), and (4)].[1] *clauses (1) and (2)*, whenever the Commissioner determines that strengthened undergraduate programs of instruction will contribute to the purposes of such clauses.

(b) The Commissioner shall carry out a program of making grants to institutions of higher education to carry out the purposes set forth in subsection (a).

(c) [There are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1973, $40,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975.] *there are authorized to be appropriated $50,000,000 for each of the fiscal years ending prior to October 1, 1982*, for the purposes of this part.

APPLICATIONS FOR GRANTS

SEC. 902. (a) The Commissioner is authorized to make grants to institutions of higher education in accordance with the provisions of this part. An institution of higher education desiring to receive a grant under this part shall submit to the Commissioner an application therefor at such time or times, in such manner, and containing such information as the Commissioner may prescribe by regulation. Such application shall set forth a program of activities for carrying out one or more of the purposes set forth in section 901(a) in such detail as will enable the Commissioner to determine the degree to which such program will accomplish such purpose or purposes, and such other policies, procedures, and assurances as the Commissioner may require by regulation.

(b) The Commissioner shall approve an application only if he determines that the application sets forth a program of activities which are likely to make substantial progress toward achieving the purposes of this part.

(c) In considering an application for a program of activities from an institution of higher education within a State, the Commissioner shall assure that consideration is given to the degree to which such program will be consistent with State, regional, or national priorities, including the assurance within the application that the institution has notified with the State Commission (as established or designated under section 1202 of this Act) and that the State Commission has been given the opportunity to offer recommendations thereon to the applicant and to the Commissioner.

AUTHORIZED ACTIVITIES

SEC. 903. (a) The funds appropriated pursuant to section 901(c) may be used for such purposes as the Commissioner determines will best accomplish the purposes of this part.

(b) Such funds may be used solely for the purposes set forth in an application approved under section 902 and solely for the purpose of accomplishing the purposes stated in section 901(a) and to that end such funds may be used for—

(1) faculty improvement;

(2) the expansion of graduate and professional programs of study;

(3) the acquisition of appropriate instructional equipment and materials;

(4) cooperative arrangements among graduate and professional schools; [and]

(5) the strengthening of graduate and professional school administration[.]

(6) the development of proposed graduate and professional programs; and

(7) needed innovation in graduate and professional programs.

(c) No sums granted under this part may be used—

(1) for payment in excess of 66⅔ per centum of the total cost of such project or activity;

(2) for payment in excess of 50 per centum of the cost of the purchase or rental of books, audiovisual aids, scientific apparatus, or other materials or equipment, less any per centum of such cost, as determined by the Commissioner, that is paid from sums received (other than under this part) as Federal financial assistance; or

(3) for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity.

RESEARCH AND STUDIES

Sec. 904. The Commissioner is authorized, directly or by contract, to conduct studies and research activities in connection with the need for, and improvement of, graduate programs in various fields of study in institutions of higher education throughout the United States.

PART B—FELLOWSHIPS FOR GRADUATE AND PROFESSIONAL STUDY

APPROPRIATIONS AUTHORIZED

Sec. 921. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

NUMBER OF FELLOWSHIPS

Sec. 922. (a) During the fiscal year ending June 30, 1973, and each of the succeeding fiscal years ending prior to 1982, the Commissioner is authorized to award not to exceed seven thousand five hundred fellowships to be used for study in graduate programs at institutions of higher education. Such fellowships may be awarded for such period of study as the Commissioner may determine but not in excess of thirty-six months except that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one twelve-month period in addition to the thirty-six month period set forth in this section under special circumstances in which the purposes of this part would most effectively be served thereby. The Commissioner shall make a determination to provide such twelve-month extension of an award to an individual fellowship recipient upon review of an application for such extension by the recipient.

(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this section but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

(c) The Commissioner may allow a fellowship recipient to interrupt his studies for up to twelve months for the purpose of work, travel, or independent study away from the campus, provided that such independent study is supportive of the fellowship recipient's program, except that the Commissioner shall make no payments to the fellowship recipient for stipends, travel expenses, or allowances for dependents or payments to institutions pursuant to the recipient's fellowship award for such period.

AWARD OF FELLOWSHIPS AND APPROVAL OF GRADUATE PROGRAMS

Sec. 923. (a) The total number of fellowships authorized by section 922(a) to be awarded during a fiscal year shall be awarded by the Commissioner on such bases as he may determine, except that recipients of such fellowships shall be persons who have been admitted *or who enrolled in graduate or professional programs approved by the Commissioner and who are pursuing, a course of study leading to a degree of doctor of philosophy, doctor of arts, or an equivalent degree. The Commissioner shall approve a graduate program of an institution of higher education only upon his finding that the application contains satisfactory assurance that the institution will provide special orientations and practical experiences designed to prepare its fellowship recipients (1) for academic careers at some level of education beyond the high school, or (2) for other than academic careers in professional career fields of importance to the national interest, as determined by the Commissioner.*

(b) In determining priorities and procedures for the award of fellowships under this section the Commissioner shall—

(1) take into account present and projected needs for highly trained persons in all areas of education beyond high school,

(2) take into account present and projected needs for highly trained persons in other than academic career fields of high national priority,

(3) consider the need to prepare a larger number of persons from minority groups, especially from among those who have been traditionally underrepresented in colleges and universities, but nothing contained in this clause shall be interpreted to require any educational institution to grant preference or disparate treatment to the members of one minority group on account of an imbalance which may exist with respect to the total number or percentage of persons of that group participating in or receiving the benefits of this program, in comparison with the total number of percentage of persons of that group in any communtiy, State, section, or other area,

(4) assure that consideration in awarding fellowships under this part is given (A) to persons who have demonstrated their competence outside of a higher education setting forth at least two years subsequent to the completion of their undergraduate studies, (B) or to persons with varied backgrounds and experiences who have acquired such backgrounds and experiences in other than academic settings,

(5) seek to achieve a reasonable equitable geographical distribution of gradaute programs approved under this section, based upon such factors as student enrollments in institutions of higher education and population.

(c) No fellowship shall be awarded under this part for study at a school or department divinity.

FELLOWSHIP STIPENDS

SEC. 924. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher educa-

tion at which such person is pursuing his course of study, such amounts as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount charged to a fellowship recipient and collected from such recipient by the institution for tuition and other expenses required by the institution as part of the recipient's instructional program shall be deducted from payments to the institution under this subsection.

FELLOWSHIP CONDITIONS

Sec. 925. (a) A person awarded a fellowship under the provisions of this part shall continue to receive payments provided in section 924 only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.

(b) The Commissioner is authorized to require reports containing such information in such form and to file at such times as he determines necessary from any person awarded a fellowship under the provisions of this part. Such reports shall be accompanied by a certificate from an appropriate official at the intitution of higher education, library, archive, or other research center approved by the Commissioner, stating that such person is making satisfactory progress in, and is devoting essentially full time to the program for which the fellowship was awarded.

AWARD OF PUBLIC SERVICE FELLOWSHIPS

Sec. 941. (a) During the fiscal year ending June 30, 1973, and each of the succeeding years ending prior to October 1, 1982, the Commissioner is authorized to award not to exceed five hundred fellowships in accordance with the provisions of this part for graduate or professional study for persons who plan to pursue a career in public service. Such fellowships shall be awarded for such periods as the Commissioner may determine, but not in excess of thirty-six months except that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one twelve-month period in addition to the thirty-six-month period set forth in this section under special circumstances in which the purposes of this part would most effectively be served thereby. The Commissioner shall make a determination to provide such a twelve-month extension of an award to an individual fellowship recipient upon review of an application for such extension by the recipient.

(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this section but vacated prior to the end of the period for which they were awarded; except that each fellow-

ship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

(c) The Commissioner may allow a fellowship recipient to interrupt his studies for up to 12 months for the purpose of work, travel, or independent study away from the campus, if such independent study is supportive of the fellowship recipient's academic program, except that the Commissioner shall make no payments to the fellowship recipient for such period for stipends, travel expenses, or allowances for dependents or payments to institutions pursuant to the recipient's fellowship award.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

ALLOCATION OF FELLOWSHIPS

SEC. 942. The Commissioner shall allocate fellowships under this part among institutions of higher education with programs approved under the provisions of this part for the use of individuals accepted into such programs, in such manner and according to such plan as will insofar as practicable—

(1) provide an equitable distribution of such fellowships throughout the United States; **[**and**]**

(2) attract recent college graduates to pursue a career in public service**[**.**]**

(3) attract persons other than recent college graduates to pursue a career in public service; and

(4) provide additional training for individuals who by past activitives, occupation, or training have demonstrated a commitment to a career in public service.

APPROVAL OF PROGRAMS

SEC. 943. The Commissioner shall approve a graduate or professional program of an institution of higher education only upon application by the institution and only upon his findings—

(1) that such program has as a principal or significant objective the education of persons for the public service, or the education of persons in a profession or vocation for whose practitioners there is a significant continuing need in the public service as determined by the Commissioner after such consultation with other agencies as may be appropriate;

(2) that such program is in effect and of high quality, or can readily be put into effect and may reasonably be expected to be of high quality;

(3) that the application describes the relation of such programs to any program, activity, research, or development set forth by the applicant in an application, if any, submitted pursuant to section 901(a)(2); and

(4) that the application contains satisfactory assurance that (A) the institution will recommend to the Commissioner, for the award of fellowships under this part, for study in such program,

only persons of superior promise who have demonstrated to the satisfaction of the institution a serious intent to enter *or continue in* the public service upon completing the program, and (B) the institution will make reasonable continuing efforts to encourage recipients of fellowships under this part, enrolled in such programs, to enter *or continue in* the public service upon completing the program.

STIPENDS

Sec. 944. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependent) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, *except that such amount charged to a fellowship recipient and collected from such recipient by the institution for dependents or payments to institutions pursuant to the recipient's fellowship award for such period.*

FELLOWSHIP CONDITIONS

Sec. 945. (a) A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in this part only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than employment approved by the Commissioner by or pursuant to regulation.

(b) The Commissioner is authorized to require reports containing such information in such form and to be filed at such times as he determines necessary from any person awarded a fellowship under the provisions of this part. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library archive, or other research center approved by the Commissioner, stating that such person is making satisfactory progress in, and is devoting essentially full time to, the program for which the fellowship was awarded.

(c) No fellowship shall be awarded under this part for study at a school or department of divinity.

Part D—Fellowships for Other Purposes

PROGRAM AUTHORIZED

Sec. 961. (a) It is the purpose of this part to provide fellowships—

(1) to assist graduate students of exceptional ability who demonstrate a financial need for advanced study in domestic mining and mineral and mineral fuel conservation including oil, gas, coal, oil shale, and uranium; and

(2) for persons of ability from disadvantaged backgrounds, as determined by the Commissioner, undertaking graduate or professional study.

The demonstration of financial need shall be determined in accordance with regulations prescribed by the Commissioner.

(b)(1) The Commissioner is authorized to award under the provisions of this part not to exceed five hundred fellowships for the fiscal year ending June 30, 1973, and for each of the [two] succeeding fiscal years *ending prior to October 1, 1982*. Appropriations made pursuant to section 965 for fellowships awarded under clause (2) of subsection (a) of this section may not exceed $1,000,000 in any fiscal year.

(2) In addition to the number of fellowships authorized to be awarded under paragraph (1), the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this part but vacated prior to the end of the period for which they were awarded except that each fellowship awarded under this paragraph shall be for such period of graduate or professional work or research not in excess of the remainder of the period for which the fellowship it replaces was awarded as the Commissioner may determine.

(c) Fellowships awarded under this part shall be for graduate and professional study leading to an advanced degree or research incident to the presentation of a doctoral dissertation. Such fellowships may be awarded for graduate and professional study and research at any institution of higher education or any other research center approved for such purpose by the Commissioner. Such fellowships shall be awarded for such periods as the Commissioner may determine but not to exceed [three years] *in excess of thirty-six months, except that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one twelve-month period in addition to the thirty-six-month period set forth in this section under special circumstances in which the purposes of this part would most effectively be served thereby. The Commissioner shall make a determination to provide such a twelve-month extension of an award to an individual fellowship recipient upon review of an application for such extension by the recipient.*

(d) The Commissioner may allow a fellowship recipient to interrupt his studies for not to exceed twelve months for the purpose of work, travel, or independent study away from the campus, provided that such independent study is supportive of the fellowship recipient's academic program, except that the Commissioner shall make no payments to the fellowship recipient for stipends, travel expenses, or allowances for dependents or payments to institutions pursuant to the recipient's fellowship award for such period.

AWARD OF FELLOWSHIPS

SEC. 962. Recipients of fellowships under this part shall be—

(1) persons who have been accepted by an institution of higher education for graduate study leading to an advanced degree or for a professional degree, or

(2) persons who have completed all course work required for granting of a doctoral degree or an equivalent degree (except such course work credited on the dissertation) and comprehensive examinations where appropriate, and whose doctoral dissertation (or other equivalent dissertation) proposal has been approved by appropriate officials of an institution of higher education.

STIPENDS AND INSTITUTIONS OF HIGHER EDUCATION ALLOWANCES

Sec. 963. (a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study, such amounts as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount charged to a fellowship recipient and collected from such recipient by the institution for tuition and other expenses required by the institution as part of the recipient's instructional program shall be deducted from payments to the institution.

Part D—Assistance in Major Disaster Areas

AUTHORIZATION

Sec. 761. (a) The Commissioner shall carry out a program of financial assistance to public institutions of higher education, in accordance with the provisions of this part.

(b) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this part.

Part E—Annual Fellowship Report

REPORT ON GRADUATE FELLOWSHIPS AND ASSISTANCE

Sec. 971. (a) Within one hundred and twenty days after the end of each fiscal year during which grants or fellowships are awarded under the provisions of this title the Commissioner shall prepare and submit to the Congress a report which—

(1) specifies the authority for and amount of each grant or fellowship so awarded;

(2) identifies the institutions which received such grants; and

(3) identifies the institutions which students receiving such fellowships attended.

(b) Each report required by this section shall contain an evaluation which—

(1) examines the extent to which grants or fellowships awarded under this title emphasized studies relating to—

(A) innovation in the field of graduate education;
(B) emerging fields of knowledge;
(C) areas of overriding national concern; or
(D) the education and employment of personnel in areas which the Commissioner finds to be of special need; and

(2) examines the extent to which grants and fellowships awarded under this title made substantial progress toward achieving the purposes of the various parts of this title under which they were awarded.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1103. There are authorized to be appropriated $7,500,000 for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1982*, to carry out the purposes of this title (and planning and related activities in the initial fiscal year for such purposes).

TITLE X—ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLEGES

[PART A—ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLEGES]

[Subpart 1—Statewide Plans] *Part A—Statewide Plans*

SEC. 1001. (a) Each State Commission (established or designated under section 1202) of each State which desires to receive assistance under this [subpart] *part* shall develop a statewide plan for the expansion or improvement of postsecondary education programs in community colleges or both. Such plan shall among other things—

(1) designate areas, if any, of the State in which residents do not have access to at least two years of tuition-free or low-tuition postsecondary education within reasonable distance;

(2) set forth a comprehensive statewide plan for the establishment, or expansion, and improvement of community colleges, or both, which would achieve the goal of making available to all residents of the State an opportunity to attend a community college (as defined in section 1018);

(3) establish priorities for the use of Federal and non-Federal financial and other resources which would be necessary to achieve the goal set forth in clause (2);

(4) make recommendations with respect to adequate State and local financial support, within the priorities set forth pursuant to clause (3), for community colleges;

(5) set forth a statement analyzing the duplications of postsecondary educational programs and make recommendations for the coordination of such programs in order to eliminate unnecessary or excessive duplications; and

(6) set forth a plan for the use of existing and new educational resources in the State in order to achieve the goal set forth in clause (2), including recommendations for the modification of

State plans for federally assisted vocational education, community services, and academic facilities as they may affect community colleges.

In carrying out its responsibilities under this subsection, each State Commission shall establish an advisory council on community colleges which shall—

(A) be composed of—

(i) a substantial number of persons in the State (including representatives of State and local agencies) having responsibility for the operation of community colleges;

(ii) representatives of State agencies having responsibility for or an interest in postsecondary education; and

(iii) the general public;

(B) have responsibility for assisting and making recommendations to the State Commission in developing the statewide plan required under this section;

(C) conduct such hearings as the State Commission may deem advisable; and

(D) pursuant to requirements established by the State Commission, provide each State and local agency within the State responsible for postsecondary education an opportunity to review and make recommendations with respect to such plan.

(b)(1) There [is hereby authorized to be appropriated $15,700,000 during the period beginning July 1, 1972, and ending June 30, 1974.] *are authorized to be appropriated $15,700,000 for each of the fiscal years ending prior to October 1, 1982* to carry out the provisions of this section.

(2) Sums appropriated pursuant to paragraph (1) shall be allotted by the Commissioner equally among the States, except that the amount allotted to Guam, American Samoa, and the Virgin Islands shall not exceed $100,000 each. Such sums shall remain available until expended.

(c) Each plan developed and adopted pursuant to subsection (a) shall be submitted to the Commissioner for his approval. The Commissioner shall not approve any plan unless he determines that it fulfills the requirements of this section.

[Subpart 2] *Part B*—Establishment and Expansion of Community Colleges

PROGRAM AUTHORIZATION

SEC. 1011. (a) In order to encourage and assist those States and localities which so desire in establishing or expanding community colleges, or both, the Commissioner shall carry out a program as provided in this [subpart] *part* for making grants to community colleges in order to improve educational opportunities available through community colleges in such States.

(b) For the purpose of carrying out this [subpart, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, $75,000,000 for the fiscal year ending June 30 1974, and $150,000,000 for the fiscal year ending June 30, 1975.] *part, there are authorized to be appropriated $150,000,000 for each of the fiscal years ending prior to October 1, 1982.*

APPORTIONMENTS

SEC. 1012. (a) From the sums appropriated pursuant to section 1011(b) for each fiscal year the Commissioner shall apportion not more than 5 per centum thereof among Puerto Rico, Guam, American Samoa and the Virgin Islands according to their respective needs. From the remainder of such sums the Commissioner shall apportion to each State an amount which bears the same ratio to such remainder as the population aged eighteen and over in such State bears to the total of such population in all States. For the purpose of the second sentence of this subsection, the term "State" does not include Puerto Rico, Guam, American Samoa and the Virgin Islands.

(b) The portion of any State's apportionment under subsection (a) for a fiscal year which the Commissioner determines will not be required, for the period such apportionment is available, for carrying out the purposes of this [subpart] *part* shall be available for reapportionment from time to time, on such dates during such period as the Commissioner shall fix, to other States in proportion to the original apportionments to such States under subsection (a) for such year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates such State needs and will be able to use for such period for carrying out such portion of its State plan referred to in section 1001 (a)(2) approved under this subpart, and the total of such reductions shall be similarly reapportioned among the States whose proportionate amounts are not so reduced. Any amount reapportioned to a State under this subsection during a year shall be deemed part of its apportionment under subsection (a) for such year.

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[PART B—OCCUPATIONAL EDUCATION PROGRAMS

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 1051. For the purposes of carrying out this part, there are hereby authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973, $250,000,000 for the fiscal year ending June 30, 1974, and $500,000,000 for the fiscal year ending June 30, 1975. Eighty per centum of the funds appropriated for the first year for which funds are appropriated under this section shall be available for the purposes of establishing administrative arrangements under section 1055, making planning grants under section 1056, and for initiating programs under section 1057 in that States which have complied with the planning requirements of section 1056; and 20 per centum shall be available only for technical assistance under section 1059(a). From the amount appropriated for each succeeding fiscal year 15 per centum shall be reserved to the Commissioner for grants and contracts pursuant to section 1059(b).

[ALLOTMENTS AND REALLOTMENTS AMONG STATES

[SEC. 1052. (a) From the sums appropriated under section 1051 for the first year for which funds are appropriated under that section (other than funds available only for technical assistance), the Commissioner shall first allot such sums as they may require (but not to exceed $50,000 each) to American Samoa and the Trust Territory of the Pacific Islands. From the remainder of such sums he shall allot to each State an amount which bears the same ratio to such remainder as the number of persons sixteen years of age or older in such State bears to the number of such persons in all the States, except that the amount allotted to each State shall no be less than $100,000.

[(b) From the sums appropriated for any succeeding fiscal year under such section (other than funds reserved to the Commissioner), the Commissioner shall first allot such sums as they may require (but not to exceed $500,000 each) to American Samoa and the Trust Territory of the Pacific Islands. From the remainder of such sums he shall allot to each State an amount which bears the same ratio to such remainder as the number of persons sixteen years of age or older in such State bears to the number of such persons in all the States, except that the amount allotted to each State shall not be less than $500,000.

[(c) The portion of any State's allotment under subsection (a) or (b) for a fiscal year which the Commissioner determines will not be required, for the period such allotment is available, for carrying out the purposes of this part shall be available for reallotment from time to time, on such date or dates during such periods as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) or (b) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates such States need and will be able to use for such period, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) or (b) for such year.

[FEDERAL ADMINISTRATION

[SEC. 1053. The Secretary shall develop and carry out a program designed to promote and encourage occupational education, which program shall—

[(1) provide for the administration by the Commissioner of Education of grants to the States authorized by this part;

[(2) assure that manpower needs in subprofessional occupations in education, health, rehabilitation, and community and welfare services are adequately considered in the development of programs under this part;

[(3) promote and encourage the coordination of programs developed under this part with those supported under part A of this title, the Vocational Education act of 1963, the Manpower Development and Training Act of 1962, title I of the Economic Opportunity Act of 1964, the Public Health Service Act, and related activities administered by various departments and agencies of the Federal Government; and

[(4) provide for the continuous assessment of needs in occupational education and for the continuous evaluation of programs supported under the authority of this part and of related provisions of law.

[GENERAL RESPONSIBILITIES OF COMMISSIONER OF EDUCATION

[SEC. 1054. The Commissioner shall, in addition to the specific responsibilities imposed by this part, develop and carry out a program of occupational education that will—

[(1) coordinate all programs administered by the Commissioner which specifically relate to the provisions of this part so as to provide the maximum practicable support for the objectives of this part;

[(2) promote and encourage occupational preparation, counseling and guidance, and job placement or placement in postsecondary occupational education programs as a responsibility of elementary and secondary schools;

[(3) utilize research and demonstration programs administered by him to assist in the development of new and improved instructional methods and technology for occupational education and in the design and testing of models of schools or school systems which place occupational education on an equal footing with academic education;

[(4) assure that the Education Professions Development Act and similar programs of general application will be so administered as to provide a degree of support for vocational, technical, and occupational education commensurate with national needs and more nearly representative of the relative size of the population to be served; and

[(5) develop and disseminate accurate information on the status of occupational education in all parts of the Nation, at all levels of education, and in all types of institutions, together with information on occupational opportunities available to persons of all ages.

[STATE ADMINISTRATION

[SEC. 1055. (a) Any State desiring to participate in the program authorized by this part shall in accordance with State law establish a State agency or designate an existing State agency which will have sole responsibility for fiscal management and administration of the program, in accordance with the plan approved under this part, and which adopts administrative arrangements which will provide assurances satisfactory to the Commissioner that—

[(1) the State Advisory Council on Vocational Education will be charged with the same responsibilities with respect to the program authorized by this part as it has with respect to programs authorized under the Vocational Education Act of 1963;

[(2) there is adequate provision for individual institutions or groups of institutions and for local educational agencies to appeal and obtain a hearing from the State administrative agency with respect to policies, procedures, programs, or allocation of resources under this part with which such institution or institutions or such agencies disagree.

[(b) The Commissioner shall approve any administrative arrangements which meet the requirements of subsection (a), and shall not finally disapprove any such arrangements without affording the State administrative agency a reasonable opportunity for a hearing. Upon the final disapproval of any arrangement, the provisions for judicial review set forth in section 1058(b) shall be applicable.

[PLANNING GRANTS FOR STATE OCCUPATIONAL EDUCATION PROGRAMS

[SEC. 1056. (a) Upon the application of a State Commission (established or designated pursuant to section 1202), the Commissioner shall make available to the State the amount of its allotment under section 1052 for the following purposes—

[(1) to strengthen the State Advisory Council on Vocational Education in order that it may effectively carry out the additional functions imposed by this part; and

[(2) to enable the State Commission to initiate and conduct a comprehensive program of planning for the establishment of the program authorized by this part.

[(b)(1) Planning activities initiated under clause (2) of subsection (a) shall include—

[(A) an assessment of the existing capabilities and facilities for the provision of postsecondary occupational education, together with existing needs and projected needs for such education in all parts of the State;

[(B) thorough consideration of the most effective means of utilizing all existing institutions within the State capable of providing the kinds of programs assisted under this part, including (but not lmited to) both private and public community and junior colleges, area vocational schools, accredited private proprietary institutions, technical institutes, manpower skill centers, branch institutions of State colleges or universities and public and private colleges and universities;

[(C) the development of an administrative procedure which provides reasonable promise for resolving differences between vocational educators, community and junior college educators, college and university educators, elementary and secondary educators, and other interested groups with respect to the administration of the program authorized under this part; and

[(D) the development of a long-range strategy for infusing occupational education (including general orientation, counseling and guidance and placement either in a job or in postsecondary occupational programs) into elementary and secondary schools on an equal footing with traditional academic education, to the end that every child who leaves secondary school is prepared either to enter productive employment or to undertake additional education at the postsecondary level, but without being forced prematurely to make an irrevocable commitment to a particular educational or occupational choice; and

[(E) the development of procedures to insure continuous planning and evaluation, including the regular collection of data which would be readily available to the State administrative agency, the State Advisory Council on Vocational Education, individual educational institutions, and other interested parties (including concerned private citizens).

[(2) Planning activities carried on by the State Commission under this section shall involve the active participation of—

[(A) the State board for vocational education;

[(B) the State agency having responsibility for community and junior colleges;

[(C) the State agency having responsibility for higher education institutions or programs;

[(D) the State agency responsible for administering public elementary and secondary education;

[(E) the State agency responsible for programs of adult basic education;

[(F) representatives of all types of institutions in the State which are conducting or which have the capability and desire to conduct programs of postsecondary occupational education;

[(G) representatives of private, nonprofit elementary and secondary schools;

[(H) the State employment security agency, the State agency responsible for apprenticeship programs, and other agencies within the State having responsibility for administering manpower development and training programs;

[(I) the State agency responsible for economic and industrial development;

[(J) persons familiar with the occapational education needs of the disadvantaged, of the handicapped, and of minority groups; and

[(K) representatives of business, industry, organized labor, agriculture, and the general public.

(c) The Commissioner shall not approve any application for a grant under section 1057 of this part unless he is reasonably satisfied that the planning described in this section (whether or not assisted by a grant under this section) has been carried out.

[PROGRAM GRANTS FOR STATE OCCUPATIONAL EDUCATION PROGRAMS

[SEC. 1057. (a) From the allotments available to the States under section 1052(b) (upon application by the State administrative agency designated or established under section 1055), the Commissioner shall make grants to any State which has satisfied the requirements of section 1058. Such grants may be used for the following purposes—

[(1) assist the State administrative agency designated or established under section 1055;

[(2) the design, establishment, and conduct of programs of postsecondary occupational education (or the expansion and improvement of existing programs) as defined by section 1060 of this part;

[(3) the design, establishment, and conduct of programs to carry out the long-range strategy developed pursuant to section 1056(b)(1)(D) for infusing into elementary and secondary education occupational preparation, which shall include methods of involving secondary schools in occupational placement and methods of providing followup services and career counseling and guidance for persons of all ages as a regular function of the educational system;

[(4) the design of high-quality instructional programs to meet the needs for postsecondary occupational education and the development of an order of priorities for placing these programs in operation;

[(5) special training and preparation of persons to equip them to teach, administer, or otherwise assist in carrying out the program authorized under this part (such as programs to prepare journeymen in the skilled trades or occupations for teaching positions); and

[(6) the leasing, renting, or remodeling of facilities required to carry out the program authorized by this part.

[(b) Programs authorized by this part may be carried out through contractual arrangements with private organizations and institutions organized for profit where such arrangements can make a contribution to achieving the purposes of this part by providing substantially equivalent education, training, or services more readily or more economically, or by preventing needless duplication of expensive physical plant and equipment, or by providing needed education or training of the types authorized by this part which would not otherwise be available.

[ASSURANCES; JUDICIAL REVIEW

[SEC. 1058. (a) Before making any program grant under this part the Commissioner shall receive from the State Commission an assurance satisfactory to him that the planning requirements of section 1056 have been met and from the State administrative agency assurances satisfactory to him that—

[(1) the State Advisory Council on Vocational Education has had a reasonable opportunity to review and make recommendations concerning the design of the programs for which the grant is requested;

[(2) Federal funds made available under this part will result in improved occupational education programs, and in no case supplant State, local, or private funds;

[(3) adequate provision has been made by such agency for programs described in section 1057(a)(3);

[(4) provision has been made for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this part;

[(5) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served by an elementary or secondary school program funded under this part, provision has been made for the effective participation of such students; and

[(6) reports will be made in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this part.

[(b)(1) Whenever the Commissioner, after reasonable notice and opportunity for a hearing to the State administrative agency, finds that any of the assurances required by subsection (a) are unsatisfactory, or that in the administration of the program there is a failure to comply with such assurances or with other requirements of the part, the Commissioner shall notify the administrative agency that no further payments will be made to the State under this part until he is satisfied there has been or will be compliance with the requirements of the part.

[(2) A State administrative agency which is dissatisfied with a final action of the Commissioner under this section or under section 1055 (with respect to approval of State administration) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently but until the filing of the record the Commissioner may modify or set aside his action. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

[TECHNICAL ASSISTANCE; MODEL PROGRAMS

[SEC. 1059. (a) The Commissioner shall make available (to the extent practicable) technical assistance to the States in planning, designing, and carrying out the program authorized by this part upon the request of the appropriate State agency designated or established pursuant to section 1055 or section 1202 and the Commissioner shall take affirmative steps to acquaint all interested organizations, agencies, and institutions with the provision of this part and to enlist broad public understanding of its purposes.

[(b) From the sums reserved to the Commissioner under section 1051, he shall by grant or contract provide assistance—

[(1) for the establishment and conduct of model or demonstration programs which in his judgment will promote the achievement of one or more purposes of this part and which might otherwise not be carried out (or not be carried out soon enough or in such a way as to have the desirable impact upon the purposes of the part);

[(2) as an incentive or supplemental grant to any State administrative agency which makes a proposal for advancing the purposes of this part which he feels holds special promise for meeting occupational education needs of particular groups or classes of persons who are disadvantaged or who have special needs, when such proposal could not reasonably be expected to be carried out under the regular State program; and

[(3) for particular programs or projects eligible for support under this part which he believes have a special potential for helping to find solutions to problems on a regional or national basis.

[(c) In providing support under subsection (b) the Commissioner may as appropriate make grants to or contracts with public or private agencies, organizations, and institutions, but he shall give first preference to applications for projects or programs which are administered by or approved by State administrative agencies, and he shall in no case make a grant or contract within any State without first having afforded the State administrative agency reasonable notice and opportunity for comment and for making recommendations.

[DEFINITIONS

[SEC. 1060. For the purposes of this part—

[(1) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and (except for the purposes of subsections (a) and (b) of section 1052) American Samoa and the Trust Territory of the Pacific Islands.

[(2) The term "postsecondary occupational education" means education, training, or retraining (and including guidance, counseling, and placement services) for persons sixteen years of age or older who have graduated from or left elementary or secondary school, conducted by an institution legally authorized to provide postsecondary education within a State, which is designed to prepare individuals for gainful employment as semi-skilled or skilled workers or technicians or subprofessionals in recognized occupations (including new and emerging occupations), or to prepare individuals for enrollment in advanced technical education programs, but excluding any program to prepare individuals for employment in occupations which the Commissioner determines, and specifies by regulation, to be generally considered professional or which require a baccalaureate or advanced degree.]

PART C—ESTABLISHMENT OF AGENCIES

ESTABLISHMENT OF BUREAU OF OCCUPATIONAL AND ADULT EDUCATION

SEC. 1071. (a) There is hereby established in the United States Office of Education a Bureau of Occupational and Adult Education hereinafter referred to as the Bureau, which shall be responsible for the administration of this title, the Vocational Education Act of 1963, [including parts C and I thereof,] the Adult Education Act, functions of the Office of Education relating to manpower training and development, functions of the Office relating to vocational, technical, and occupational training in community and junior colleges, and any other Act vesting authority in the Commissioner for vocational, occupational, adult and continuing education and for those portions of any legislation for career education which are relevant to the purposes of other Acts administered by the Bureau.

(b)(1) The Bureau shall be headed by a person (appointed or designated by the Commissioner) who is highly qualified in the fields of vocational, technical, and occupational education, who is accorded the rank of Deputy Commissioner, and who shall be compensated at the rate specified for grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code.

(2) Additional positions are created for, and shall be assigned to, the Bureau as follows:[1]

(A) Three positions to be placed in grade 17 of such General Schedule, one of which shall be filled by a person with broad experience in the field of junior and community college education.

(B) Seven positions to be placed in grade 16 of such General Schedule, at least two of which shall be filled by persons with broad experience in the field of postsecondary-occupational education in community and junior colleges, at least one of which shall be filled by a person with broad experience in education in private proprietary institutions, and at least one of which shall be filled by a person with professional experience in occupational guidance and counseling, and

(C) Three positions which shall be filled by persons at least one of whom is a skilled worker in a recognized occupation, another is a subprofessional technician in one of the branches of engineering, and the other is a subprofessional worker in one of the branches of social or medical services, who shall serve as senior advisers in the implementation of this title.

* * * * * * *

SEC. 1203. (a) The Commissioner is authorized to make grants to any State Commission established pursuant to section 1202(a) to enable it to expand the scope of the studies and planning required in title X through comprehensive inventories of, and studies with respect to, all public and private postsecondary educational resources in the State, including planning necessary for such resources to be better coordinated, improved, expanded, or altered so that all persons within the State who desire, and who can benefit from, postsecondary education may have an opportunity to do so.

(b) The Commissioner shall make technical assistance available to State Commissions, if so requested, to assist them in achieving the purposes of this section.

(c) The Commissioner is authorized to make grants to State commissions established pursuant to section 1202(a), applying jointly for the purpose of this subsection, to enable the participating commissions to plan, develop, and carry out interstate cooperative postsecondary education projects designed to increase the accessibility of postsecondary educational opportunities for the residents of the participating States and to assist such States to carry out postsecondary education programs in a more effective and economical manner.

(d)(1) There are authorized to be appropriated $4,000,000 for each fiscal year ending prior to October 1, 1982, to carry out the provisions of this section other than subsection (c) of this section.

(2) There are authorized to be appropriated $2,000,000 for each fiscal year ending prior to October 1, 1982, to carry out the provisions of subsection (c) of this section.

TITLE V—CAREER DEVELOPMENT AND GUIDANCE AND COUNSELING PROGRAMS

PART A—CAREER EDUCATION AND CAREER DEVELOPMENT

STATEMENT OF CONGRESSIONAL FINDINGS

SEC. 501. The Congress finds and declares that—

(1) a major purpose of education should be to prepare every person to pursue a career suitable to that person's maximum potential ability;

(2) it is the obligation of all educational agencies and institutions, including, but not limited to, agencies and institutions of elementary and secondary education, higher education, adult education, employment training and retraining, and vocational education, to make available such preparation to all persons;

(3) each State or local agency or institution of education should therefore be encouraged to expose every person to the widest variety of career options through programs of career education and career development.

PURPOSE

SEC. 502. It is the purpose of this title to provide Federal assistance to States to enable them to develop and conduct career education and career development programs and activities for individuals of all ages, and to improve existing programs and activities, in order to improve the awareness, exploration, planning and decisionmaking of individuals served with regard to career opportunities and career development throughout the lifetimes of such individuals, through—

(1) developing information on the needs for career education and career development for all persons;

(2) promoting a national dialogue on career education and career development designed to encourage each State and local educational agency to determine and adopt the approach best suited to the needs of the persons served by them;

(3) assessing the status of career education and career development programs and practices, including a reassessment of the stereotyping of career opportunities by race or by sex;

(4) providing for the demonstration of the best of the current career education and career counseling programs and practices by the development and testing of exemplary programs and practices using various theories, concepts, and approaches with respect to career education and through the development of a nationwide system of regional career education centers;

(5) providing for the training and retraining of persons for conducting career education and career development programs; and

(6) developing State and local plans for implementing programs designed to insure that every person has the opportunity to gain the knowledge and skills necessary for gainful or maximum employment and for full participation in our society according to his or her ability.

AUTHORIZATION OF APPROPRIATIONS

SEC. 503. (a) There are authorized to be appropriated for the purpose of this title $25,000,000 for fiscal year 1978, $35,000,000 for fiscal year 1979, $45,000,000 for fiscal year 1980, $55,000,000 for fiscal year 1981, and $75,000,000 for fiscal year 1982.

(b)(1) From the sums appropriated pursuant to this title, the Commissioner shall reserve an amount not to exceed 10 per centum thereof or $2,000,000, or whichever is lesser, for the administration of this title, of which not less than 75 percent shall be available for the purpose of carrying out section 506 of this title.

(2) From the remainder of the sums appropriated under this title, the Commissioner shall reserve such amount, not to exceed 3 per centum thereof, as he may determine necessary and shall allot such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, according to their relative need for assistance under this title.

(3) Of the remainder of the sums appropriated, the Commissioner shall allot to each State an amount which bears the same ratio to such sums for such year as the population of the State bears to the population of all States.

(c) Funds allotted to States under this title shall not be more than 80 per centum of the total cost of programs funded under this title in any year in which the appropriation does not exceed $25,000,000; 70 per centum of such total cost in any year in which the appropriation exceeds $25,000,000 but does not exceed $35,000,000; 60 per centum of such total cost in any year in which the appropriation exceeds $35,000,000 but does not exceed $45,000,000; and 50 per centum of such total cost in any year in which the appropriation exceeds $55,000,000.

PROGRAM ADMINISTRATION

SEC. 504. The provisions of this title shall be carried out by the Commissioner through the Office of Career Education established pursuant to section 406(c) of Public Law 93-380.

USE OF FUNDS

SEC. 505. Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this title shall submit an annual program plan for the development and improvement of career education and career counseling programs and services which plan shall include—

(1) designation of the State educational agency as the agency responsible for the implementation of the State plan in consultation with State postsecondary planning commission established pursuant to section 1202 of the Higher Education Act of 1965, through all appropriate educational institutions, including postsecondary institutions;

(2) proposals for extending career education and career development programs and services to all persons in the State;

(3) proposals for extending the concept of the education process beyond the school into the area of employment and community, and to relate the subject matter curriculums of schools to the needs of persons to function in society;

(4) proposals for the implementation of new concepts in career education and career development and for the replication of concepts which have demonstrated success;

(5) the development of training programs for counselors, educators, and administrators;

(6) assurances that the State will foster cooperative arrangements with such community groups and agencies as the public employment services, vocational rehabilitation service, community mental health agencies, education opportunity centers, and other community resources concerned with vocational development guidance and counseling, in order to avoid unnecessary duplication in the provision of services in the community or area to be served;

(7) assurances that State, local, and private funds will also be made available for programs and services funded under this title; and

(8) such other assurances as the Commissioner may reasonably require.

Sec. 506. (a) The Commissioner shall provide, either directly or by grant or contract, for—

(1) the gathering, cataloging, storing, analyzing, and disseminating of information related to the availability of and preparation for careers in America, including information concerning current career options, future career trends, and career education;

(2) the ongoing analysis of career trends and options in America using information from both the public and private sectors, including such sources as the Bureau of Labor Statistics, the Department of Commerce, the Tariff Commission, economic analysts, labor unions, and private industry;

(3) Publication of periodic reports and reference works using analysis prepared pursuant to this section and containing exemplary materials from the career education field, including research findings, results, and techniques from successful projects and programs, and highlights of ongoing analysis of career trends in America; and

(4) the conduct of seminars, workshops, and career information sessions for the purpose of disseminating to guidance counselors, career educators, administrators, other education personnel, and the general public information compiled and analyzed under this section.

(b) In carrying out the purposes of this section, and to the extent practicable, the Commissioner shall (1) make use of existing offices, centers, clearinghouses, and research capabilities, (2) coordinate among the offices, centers, clearinghouses and research capabilities in carrying out his career information responsibilities, and (3) use the career information capabilities of the Education Division.

NATIONAL ADVISORY COUNCIL

Sec. 507. The National Advisory Council for Career Education established pursuant to section 406(g) of the Education Amendments of 1974 shall, in addition to its duties under that section, advise the Commissioner regarding the implementation of this title.

Part B—Guidance and Counseling

FINDINGS

Sec. 511. The Congress finds that—

(1) guidance and counseling activities are an essential component to assure success in achieving the goals of many education programs,

(2) lack of coordination among guidance and counseling activities supported jointly or separately by Federal programs and by State and local programs has resulted in an underutilization of resources available for such activities, and

(3) increased and improved preparation of education professionals needed in guidance and counseling, including administration of guidance and counseling programs at the State and local levels, with special emphasis on inservice training.

APPROPRIATIONS AUTHORIZED

Sec. 512. There is authorized to be appropriated $20,000,000 for fiscal year 1978 and for each succeeding fiscal year ending prior to October 1, 1982, to carry out the provisions of this part.

ADMINISTRATION

Sec. 513. (a) The Commissioner shall establish or designate an administrative unit within the Education Division for purposes of—

(1) carrying out provisions of this section,

(2) providing information regarding guidance and counseling as a profession, guidance and counseling activities of the Federal Government, and, to the extent practicable, activities of State and local programs of guidance and counseling, and

(3) advising the Commissioner on coordinating guidance and counseling activities included in all programs which he is authorized to carry out, and, to the extent he deems practicable, how such activities may be coordinated with other programs of the Federal Government and State and local guidance and counseling programs.

(b) The Commissioner may reserve an amount not to exceed 10 per centum of the sums appropriated under this part to carry out the provisions of this subsection.

PROGRAM AUTHORIZED

Sec. 514. (a) The Commissioner is authorized, on a competitive basis, to enter into contracts and make grants to State and local educational agencies, to institutions of higher education, and to private nonprofit organizations to assist them in conducting institutes, workshops, and seminars designed to improve the professional qualifications of counselors in State and local educational agencies and nonpublic elementary and secondary school systems, and to provide training for supervisory and technical personnel in such agencies and systems having responsibilities for guidance and counseling, and to improve supervisory services in the field of guidance and counseling.

(b) The Commissioner is authorized to make grants to States to assist them in carrying out programs to coordinate new and existing programs of guidance and counseling in the States.

TITLE II. VOCATIONAL EDUCATION

Sec. 201. Extension of Certain Vocational Education Programs

VOCATIONAL EDUCATION ACT OF 1963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Title I of this Act may be cited as the "Vocational Education Act of 1963".

TITLE I—VOCATIONAL EDUCATION

PART A—GENERAL PROVISIONS

DECLARATION OF PURPOSE

Sec. 101. It is the purpose of this title to authorize Federal grants to States to assist them to maintain, extend, and improve existing programs of vocational education, to develop new programs of vocational education, and to provide part-time employment for youths who need the earnings from such employment to continue their vocational training on a full-time basis, so that persons of all ages in all communities of the State—those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, those with special educational handicaps, and those in postsecondary schools—will have ready access to vocation training or retraining which is of high quality, which is realistic in the light of action or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training.

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. (a) There are authorized to be appropriated $355,000,000 for the fiscal year ending June 30, 1969, $565,000,000 for the fiscal year ending June 30, 1970, $675,000,000 for the fiscal year ending June 30, 1971, $675,000,000 for the fiscal year ending June 30, 1972, and $565,000,000 for the fiscal year ending June 30, 1973, and each succeeding fiscal year for the purposes of parts B and C of this title. From the amount appropriated pursuant to the preceding sentence and allotted to each State under section 103, 90 per centum shall be available for the purposes of part B and 10 per centum shall be available for the purposes of part C.

(b) There are [also] authorized to be appropriated [$40,000,000 each for the fiscal years and ending June 30, 1969, and June 30, 1970, $50,000,000 for the fiscal year ending June 30, 1971, and $60,000,000 for the fiscal year ending June 30, 1972, and for the succeeding fiscal years ending prior to July 1, 1975] *$60,000,000 for each of the fiscal years 1976 and 1977*, for the purposes of section 122(a)(4)(A). Nothing in this subsection shall be construed to affect the availability for such purposes, of appropriations made pursuant to subsection (a) of this section.

(c) There are authorized to be appropriated [$17,500,000 for the fiscal year ending June 30, 1975] *$40,000,000 for each of the fiscal years 1976 and 1977*, for the purposes of [carrying out] section 122(a)(4)(C). Nothing in this subsection shall be construed to affect the availability for such purpose of appropriations made pursuant to subsection (a).

(d) There are further authorized to be appropriated [for each fiscal year] *for each of the fiscal years 1976 and 1977*, such sums as may be necessary to pay the cost of the administration and development of State plans, the activities of advisory councils created under this title, and the evaluation and dissemination activities required pursuant to this title.

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NATIONAL AND STATE ADVISORY COUNCILS

SEC. 104. (a)(1) There is hereby created a National Advisory Council on Vocational Education (hereinafter referred to as the "National Council") consisting of twenty-one members appointed by the President, without regard to the civil service laws, for terms of three years, except that (i) in the case of the initial members, seven shall be appointed for terms of one year each and seven shall be appointed for terms of two years each, and (ii) appointments to fill vacancies shall be only for such terms as remain unexpired. The Council shall include persons—

(A) representative of labor and management, including persons who have knowledge of the semiskilled, skilled, and technical employment in such occupational fields as agriculture, home economics, distribution and marketing, health, trades, manufacturing, office and service industries, and persons representative of new and emerging occupational fields,

(B) familiar with manpower problems and administration of manpower programs,

(C) knowledgeable about the administration of State and local vocational education programs, including members of local school boards,

(D) experienced in the education and training of handicapped persons and of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965),

(E) familiar with the special problems and needs of individuals disadvantaged by their socioeconomic backgrounds,

(F) having special knowledge of postsecondary and adult vocational education programs, and

(G) representative of the general public who are not Federal employees, including parents and students, except that they may not be representative of categories (A) through (F), and who shall constitute no less than one-third of the total membership.

The National Council shall meet at the call of the Chairman, who shall be selected by the President, but not less than four times a year.

(2) The National Council shall—

(A) advise the Commissioner concerning the administration of, preparation of general regulations for, and operation of, vocational education programs supported with assistance under this title and under Part B of Title X of the Higher Education Act of 1965;

(B) review the administration and operation of vocational education programs under this title and under Part B of Title X of the Higher Education Act of 1965, including the effectiveness of such programs in meeting the purposes for which they are established and operated, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this title) to the Secretary for transmittal to the Congress; and

(C) conduct independent evaluations of programs carried out under this title and under Part B of Title X of the Higher Education Act of 1965, and publish and distribute the results thereof.

(4) The Council is authorized, without regard to the civil service laws, to engage such technical assistance as may be required to carry out its functions, and to this end there are hereby authorized to be appropriated for the fiscal year ending June 30, 1969, $100,000, and for the fiscal year ending June 30, 1970, and each of the **[**five**]** *seven* succeeding fiscal years, $150,000.

(5) The National Council shall review the possible duplication of vocational education programs at the postsecondary and adult levels within geographic areas, and shall make annual reports of the extent to which such duplication exists, together with its findings and recommendations, to the Secretary. In making these reports, the Council

shall seek the opinions of persons familiar with postsecondary and adult vocational education in each State from schools, junior colleges, technical institutes, and other institutions of higher education, as well as from State boards of educations, State junior college boards, and State boards of higher education, and persons familiar with area schools, labor, business and industry, accrediting commissions, proprietary institutions, and manpower programs. Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until **[**July 1, 1976**]** *October 1, 1977.*

(b)(1) Any State which desires to receive a grant under this title for any fiscal year shall establish a State advisory council, which shall be appointed by the Governor or, in the case of States in which the members of the State board are elected (including election by the State legislature), by such board, and which shall—

(A) include as members a person or persons—

(i) familiar with the vocational needs and the problems of management and labor in the State, and a person or persons representing State industrial and economic development agencies,

(ii) representative of community and junior colleges and other institutions of higher education, area vocational schools, technical institutes, and postsecondary or adult education agencies or institutions, which may provide programs of vocational or technical education and training,

(iii) familiar with the administration of State and local vocational education programs, and a person or persons having special knowledge, experience, or qualifications with respect to vocational education and who are not involved in administration of State or local vocational education programs,

(iv) familiar with programs of technical and vocational education, including programs in comprehensive secondary schools,

(v) representative of local educational agencies, and a person or persons who are representative of school boards,

(vi) representative of manpower and vocational education agencies in the State, including a person or persons from the Comprehensive Area Manpower Planning System of the State,

(vii) representing school systems with large concentrations of academically, socially, economically, and culturally disadvantaged students (and may include, where appropriate, students who are persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965)),

(viii) having special knowledge, experience, or qualifications, with respect to the special educational needs of physically or mentally handicapped persons, and

(ix) representative of the general public, including a person or persons representative of and knowledgeable about the poor and disadvantaged, who are not qualified for membership under any of the preceding clauses of this paragraph;

(B) advise the State board on the development of and policy matters arising in the administration of the State plan submitted pursuant to part B of this title, including the preparation of long-range and annual program plans pursuant to paragraphs (4) and (5) of section 123 (a);

(C) evaluate vocational education programs, services and activities assisted under this title, and publish and distribute the results thereof; and

(D) prepare and submit through the State board to the Commissioner and to the National Council an annual evaluation report, accompanied by such additional comments of the State board as the State board deems appropriate, which (i) evaluates the effectiveness of vocational education programs, services, and activities carried out in the year under review in meeting the program objectives set forth in the long-range program plan and the annual program plan provided for in paragraphs (4) and (5) of section 123(a), and (ii) recommends such changes in such programs, services, and activities as may be warranted by the evaluations.

(2) Not less than ninety days prior to the beginning of any fiscal year ending after June 30, 1969, in which a State desires to receive a grant under this title, that State shall certify the establishment of, and membership of, its State Advisory Council to the Commissioner.

(3) Each State Advisory Council shall meet within thirty days after certification has been accepted by the Commissioner and select from among its membership a chairman. The time, place, and manner of meeting shall be as provided by the rules of the State Advisory Council, except that such rules must provide for not less than one public meeting each year at which the public is given opportunity to express views concerning vocational education.

(4) State Advisory Councils are authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this title and to contract for such services as may be necessary to enable them to carry out their evaluation functions.

(c) State advisory councils also shall perform with respect to the programs carried out under part B of title X of the Higher Education Act of 1965 function identical with or analogous to those assigned under this title, and the Commissioner shall assure that adequate funds are made available to such Councils from funds appropriated to carry out part B of that title (without regard to whether such funds have been allotted to States) to enable them to perform such functions.

(d) From the sums appropriated pursuant to section 102(c) for any fiscal year, the Commissioner is authorized (in accordance with regulations) to pay each State Advisory Council an amount equal to the reasonable amounts expended by it in carrying out its functions under this title in such fiscal year, except that the amount available for such purposes shall be equal to 1 per centum of the State's allotment under section 103, but such amount shall not exceed $150,000 and shall not be less than $50,000.

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AUTHORIZATION OF GRANTS AND CONTRACTS

SEC. 142. (a) There are hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1969, $57,500,000 for the fiscal year ending June 30, 1970, and $75,000,000 for each of the [five] *seven* succeeding fiscal years to enable the Commissioner to carry out the provisions of this part.

(b) (1) From the sums appropriated pursuant to this part the Commissioner shall reserve such amount, but not in excess of 3 per centum thereof, as he may determine and shall allot such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territories of the Pacific Islands according to their respective needs for assistance under this part.

(2) From the remainder of such sums the Commissioner shall allocate $200,000 to each State (except for those provided for in paragraph (1)), and he shall in addition allocate to each such State an amount which bears the same ratio to any residue of such remainder as the population aged fifteen to nineteen, both inclusive, in the State bears to the population of such ages in all such States.

(c) From 50 per centum of the sums allotted to each State for the purposes of this part, the Commissioner is authorized to make grants to or contracts with State boards or local educational agencies for the purpose of stimulating and assisting in the development, establishment, and operation of programs or projects designed to carry out the purposes of this part. The Commissioner also may make in such State from such sums, grants to other public or nonprofit private agencies, organizations, or institutions, or contracts with public or private agencies, organizations, or institutions, when such grants or contracts will make an especially significant contribution to attaining the objectives of this part.

(d) The State board may use the remaining 50 per centum of such sums for making grants to local educational agencies or other public or nonprofit private agencies, organizations, or institutions, or contracts with public or private agencies, organizations, or institutions including business and industrial concerns, upon such terms and conditions consistent with the provisions of this part and with its State plan approved pursuant to section 123, as it determines will most effectively carry out the development, establishment, and operation of exemplary and innovative occupational education programs or projects designed to serve as models for use in vocational education programs.

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PART E—RESIDENTIAL VOCATIONAL EDUCATION

DEMONSTRATION SCHOOLS

SEC. 151. (a) For the purpose of demonstrating the feasibility and desirability of residiential vocational education schools for certain youths of high school age, the Commissioner is authorized to make grants, out of sums appropriated pursuant to subsection (b) to State boards, to colleges and universities, and with the approval of the appropriate State board, to public educational agencies, organizations or institutions for the construction, equipment, and operation of residential schools to provide vocational education (including room, board, and other necessities) for youths, at least fifteen years of age and less than twenty-one years of age at the time of enrollment, who need full-time study on a residential basis in order to benefit fully from such education. In making such grants, the Commissioner shall give special consideration to the needs of large urban areas having substantial numbers of youths who have dropped out of school or are unemployed and shall seek to attain, as nearly as practicable in the light of the purposes of this section, an equitable geographical distribution of such schools.

(b) There are authorized to be appropriated for the purpose of this section $25,000,000 for the fiscal year ending June 30, 1969, $30,000,000 for the fiscal year ending June 30, 1970, and $35,000,000 each for the fiscal year ending June 30, 1971, and for each of the succeeding fiscal years ending prior to **[**July 1, 1975**]** *October 1, 1977.*

STATE PROGRAMS

SEC. 152. (a)(1) There are hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1969, and for each of the succeeding fiscal years ending prior to **[**July 1, 1975**]** *October 1, 1977,* for grants to the States to provide residential vocational education facilities in accordance with the provisions of this section.

(2) From the sums appropriated under paragraph (1), the Commissioner shall allot to each State an amount which bears the same ratio of such sums as the populaton of each State bears to the population of all the States.

(3) For purposes of this section—

(A) the term "State" does not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

(B) the amount allotted under this subsection to any State for the fiscal year ending June 30, 1969, shall be available for payments to applicants with approved applications in that State during that year and the next fiscal year; and

(C) the amount of any State's allotment under subsection (a)(2) for any fiscal year, which the Commissioner determines will not be required for such fiscal year for carrying out the State's plan approved under subsection (b), shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which as determined by the Commissioner are able to use without delay any amounts so reallotted for the purposes set forth in subsection (b). Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

(b)(1) Funds allotted to the States under subsection (a) shall be used by the States, or, with the approval of the State boards, by public educational agencies, organizations, or institutions within such State, to pay the Federal share of the cost of planning, constructing, and operating residential vocational education facilities to provide vocational education (including room, board, and other necessities) for youths, at least age fourteen but who have not attained age twenty-one at the time of admission to the training program, who need full-time study on a residential basis and who can profit from vocational education instruction. In the administration of the program conducted under this section, special consideration shall be given to needs in geographical areas having substantial or disproportionate numbers of youths who have dropped out of school or are unemployed, and to serving persons from such areas.

(2) For purposes of this section, the Federal share of the cost of planning, constructing, and operating residential vocational education facilities shall not exceed 90 per centum of the costs incurred in any fiscal year.

(c) For purposes of this section the State plan approved under section 123 shall set forth the policies and procedures to be used by the State in determining the size and location of such residential vocational facilities, taking into account the use of existing vocational education facilities. Such policies and procedures must give assurance that—

(1) adequate provision will be made for the appropriate selection without regard to sex, race, color, religion, national origin or place of residence within the State of students needing education and training at such school;

(2) the residential school facility will be operated and maintained for the purpose of conducting a residential vocational education school program;

(3) vocational course offerings at such school will include fields for which available labor market analyses indicate a present or continuing need for trained manpower, and that the courses offered will be appropriately designed to prepare enrollees for entry into employment or advancement in such fields; and

(4) no fees, tuition, or other charges will be required of students who occupy the residential vocational education facility.

(d) For purposes of this section—

(1) the term "residential school facility" means a school facility (as defined in section 108(3)), used for residential vocational education purposes. Such term also includes dormitory, cafeteria, and recreational facilities, and such other facilities as the Commissioner determines are appropriate for a residential vocational education school.

(2) the term "operation" means maintenance and operation, and includes the cost of salaries, equipment, supplies, and materials, and may include but it is not limited to other reasonable costs of services and supplies needed by residential students, such as clothing and transportation.

debt service required to be paid, during the life of the loan, on the amount borrowed for the construction of such facilities, and (2) the average annual debt service which the institution would be required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were 3 per centum per annum.

(c) The Commissioner shall not enter into a contract for grants under this section unless he determines that the amount borrowed does not exceed the total cost of construction of the facilities, and that such construction will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

(d)(1) There are hereby authorized to be appropriated such sums as may be necessary for the payment of annual grants in accordance with this section.

(2) Contracts for annual grants under this section shall not be entered into for an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual grants which may be paid in any year pursuant to contracts entered into under this section shall [not exceed $5,000,000], *for fiscal year 1976, which amount shall be increased by $5,000,000 on October 1 of the succeeding fiscal year* which amount shall be increased by $5,000,000 on July 1, 1970, and on July 1 of each of the four succeeding fiscal years.

GRANTS TO REDUCE BORROWING COSTS FOR SCHOOLS AND DORMITORIES

SEC. 153. (a) The Commissioner is authorized to make annual grants to State boards, to colleges and universities, and with the approval of the appropriate State board, to public educational agencies, organizations, or institutions to reduce the cost of borrowing funds for the construction of residential schools and dormitories to provide vocational education for youths, at least fourteen years of age and less than twenty-one years of age at the time of enrollment, who need full-time study on a residential basis in order to benefit fully from such education. In making contracts for such grants, the Commissioner shall give special consideration to the needs of urban and rural areas having substantial numbers of youths who have dropped out of school or are unemployed and shall seek to attain an equitable geographical distribution of such schools.

(b) Annual grants with respect to the construction of any such residential school shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount equal to the difference between (1) the average annual debt service required to be paid, during the life of the loan, on the amount borrowed for the construction of such facilities, and (2) the average annual debt service which the institution would be required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were 3 per centum per annum.

(c) The Commissioner shall not enter into a contract for grants under this section unless he determines that the amount borrowed does not exceed the total cost of construction of the facilities, and that such construction will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

(d)(1) There are hereby authorized to be appropriated such sums as may be necessary for the payment of annual grants in accordance with this section.

(2) Contracts for annual grants under this section shall not be entered into for an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual

grants which may be paid in any year pursuant to contracts entered into under this section shall not exceed $5,000,000, [which amount shall be increased by $5,000,000 on July 1, 1970, and on July 1 of each of the four succeeding fiscal years.] *for fiscal year 1976, which amount shall be increased by $5,000,000 on October 1 of the succeeding fiscal year.*

PART F—CONSUMER AND HOMEMAKING EDUCATION

AUTHORIZATION

SEC. 161. (a)(1) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1970, $25,000,000, for the fiscal year ending June 30, 1971, $35,000,000 and for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1977*, $50,000,000, for the purposes of this part. From the sums appropriated pursuant to this paragraph for each fiscal year, the Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under section 103 except that, for the purposes of this section, there shall be no reservation of 10 per centum of such sums for research and training programs and 100 per centum of the amount appropriated pursuant to this section shall be allotted among the States.

(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved under subsection (b) shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which as determined by the Commissioner, are able to use without delay any amounts so reallotted for the purposes set forth in subsection (b). Any amounts reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

(b) For purposes of this part the State plan approved under section 123 shall set forth a program under which Federal funds paid to a State from its allotment under subsection (a) will be expended solely for (1) educational programs which (A) encourage home economics to give greater consideration to social and cultural conditions and needs, especially in economically depressed areas, (B) encourage preparation for professional leadership, (C) are designed to prepare youths and adults for the role of homemaker, or to contribute to the employability of such youths and adults in the dual role of homemaker and wage earner, (D) include consumer education programs including promotion of nutritional knowledge and food use and the understanding of the economic aspects of food use and purchase, and (E) are designed for persons who have entered, or are preparing to enter, the work of the home, and (2) ancillary services, activities and other means of assuring quality in all homemaking education programs, such as teacher training and supervision, curriculum development research, program evaluation, special demonstration and experimental programs, development of instructional materials, provision of equipment, and State administration and leadership.

(c) From a State's allotment under this section for the fiscal year ending June 30, 1970, and for each fiscal year thereafter, the Commissioner shall pay to such State an amount equal to 50 per centum of the amount expended for the purposes set forth in subsection (b), except that, for the fiscal year ending June 30, 1970, and the **[**five**]** *seven* succeeding fiscal years, the Commissioner shall pay an amount equal to 90 per centum of the amount used in areas described in subsection (d). No State shall receive payments under this section for any fiscal year in excess of its allotment under subsection (a) for such fiscal year.

(d) At least one-third of the Federal funds made available under this section shall be used in economically depressed areas or areas with high rates of unemployment for programs designed to assist consumers and to help improve home environments and the quality of family life.

AUTHORIZATION AND ALLOTMENTS

SEC. 172. (a) There is authorized to be appropriated for the fiscal year ending June 30, 1969, $20,000,000, for the fiscal year ending June 30, 1970, $35,000,000, for the fiscal year ending June 30, 1971, $50,000,000, and for each of the succeeding fiscal years ending prior to **[**July 1, 1975**]** *October 1, 1977*, $75,000,000, for making grants to the States for programs of vocational education designed to prepare students for employment through cooperative work-study arrangements.

(b)(1) From the sums appropriated pursuant to this section for each fiscal year, the Commissioner shall reserve such amount, but not in excess of 3 percentum thereof, as he may determine, and shall apportion such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this section. From the remainder of such sums the Commissioner shall allocate $200,000 to each State, and he shall in addition allocate to each State an amount which bears the same ratio to any residue of such remainder as the population aged fifteen to nineteen, both inclusive, in the State bears to the population of such ages in all States. For purposes of the preceding sentence, the term "State" does not include the areas referred to in the first sentence of this paragraph.

(2) The amount of any State's allotment under this section for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved under section 173 shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which as determined by the Commissioner are able to use without delay any accounts so realloted for the purposes set forth in section 173. Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

(3) The population of particular age groups of a State or of all the States shall be determined by the Commissioner on the basis of the latest available estimates furnished by the Department of Commerce.

* * * * * * *

PART H—WORK-STUDY PROGRAMS FOR VOCATIONAL EDUCATION STUDENTS

AUTHORIZATION OF APPROPRIATIONS AND ALLOTMENT

SEC. 181. (a) There are hereby authorized to be appropriated $35,000,000 for each of the fiscal years ending June 30, 1969 and June 30, 1970, $45,000,000 for the fiscal year ending June 30 ,1972, and for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1977*, the purposes of this part.

(b)(1) From the sums appropriated pursuant to this section for each fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to such sums for such year as the population aged fifteen to twenty, inclusive, of the State, in the preceding fiscal year bears to the population aged fifteen to twenty, inclusive, of all the States in such preceding year.

(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved pursuant to section 182 shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under paragraph (1) for such year, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum the Commissioner estimates such States needs and will be able to use for such year and the total of such reductions shall be similarly realloted among the States not suffering such a reduction. Any amount realloted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

* * * * * * *

PART I—CURRICULUM DEVELOPMENT IN VOCATIONAL AND TECHNICAL EDUCATION

AUTHORIZATION

SEC. 189. (a) The Congress finds that curriculum development in vocational education is complicated by the diversity of occupational objectives; variations due to geography; differences in educational levels and types of programs; and by the wide range of occupations which includes, but is not limited to, agriculture, food processing and preparation, trades and industry, distribution and marketing, technical, public service, health services, business, and office occupations. It is therefore the purpose of this section to enable the Commissioner to provide appropriate assistance to State and local educational agencies in the development of curriculums for new and changing occupations, and to coordinate improvements in, and dissemination of, existing curriculum materials.

(b) There are authorized to be appropriated $7,000,000 for the fiscal year ending June 30, 1969, and $10,000,000 for each of the succeeding fiscal years ending prior to [July 1, 1975.] *October 1, 1977* for the purposes set forth in this section.

(c)(1) Sums appropriated pursuant to subsection (b) shall be used by the Commissioner, after consultation with the appropriate State agencies and the National Council, to make grants to or contracts with colleges or universities, State boards, and other public or nonprofit private agencies and institutions, or contracts with public or private agencies, organizations, or institutions—

(A) to promote the development and dissemination of vocational education curriculum materials for use in teaching occupational subjects, including curriculums for new and changing occupational fields;

(B) to develop standards for curriculum development in all occupational fields;

(C) to coordinate efforts of the States in the preparation of curriculum materials and prepare current lists of curriculum materials available in all occupational fields;

(D) to survey curriculum materials produced by other agencies of Government, including the Department of Defense;

(E) to evaluate vocational-technical education curriculum materials and their uses; and

(F) to train personnel in curriculum development.

(2) For purposes of this subsection "curriculum materials" means materials consisting of a series of courses to cover instruction in any occupational field in vocational education which are designed to prepare persons for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field.

* * * * * * *

GENERAL RESPONSIBILITIES OF THE COMMISSIONER

Sec. 192. (a) The Commissioner and the Secretary of Labor together shall—

(1) develop and disseminate accurate information on the status of bilingual vocational training in all parts of the United States;

(2) evaluate the impact of such bilingual vocational training on the shortages of well-trained personnel, the unemployment or underemployment of persons with limited English-speaking ability, and the ability of such persons to contribute fully to the economy of the United States; and

(3) report their findings annually to the President and the Congress.

(b) The Commissioner shall consult with the Secretary of Labor with respect to the administration of this part. Regulations and guidelines promulgated by the Commissioner to carry out this part shall be consistent with those promulgated by the Secretary of Labor pursuant to section 301(b) of the Comprehensive Employment and Training Act of 1973 and shall be approved by the Secretary of Labor before issuance.

AUTHORIZATION OF APPROPRIATIONS

Sec. 193. There are authorized to be appropriated $17,500,000 for the fiscal year ending June 30, 1975, to carry out the provisions of this part.

* * * * * * *

Sec. 202. Revision of the Vocational Education Act of 1963

Vocational Education Act of 1963 *

* Effective October 1, 1977 and thereafter the Vocational Education Act of 1963 is amended to read as follows:

[AN ACT To strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation, to extend for three years the National Defense Education Act of 1958 and Public Laws 815 and 874, Eighty-first Congress (federally affected areas), and for other purposes.

[Be it enacted by the Senate and House of Representatives of the States of America in Congress assembled, that Title I of this Act may be cited as the "Vocational Education Act of 1963".

[TITLE I—VOCATIONAL EDUCATION

[Part A—General Provisions

[DECLARATION OF PURPOSE

[Sec. 101. It is the purpose of this title to authorize Federal grants to States to assist them to maintain, extend, and improve existing programs of vocational education, to develop new programs of vocational education, and to provide part-time employment for youths who need the earnings from such employment to continue their vocational training on a full-time basis, so that persons of all ages in all communities of the State—those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, those with special educational handicaps, and those in postsecondary schools—will have ready access to vocational training or retraining which is of high quality, which is realistic in the light of action or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training.

[AUTHORIZATION OF APPROPRIATIONS

[Sec. 102. (a) There are authorized to be appropriated $355,000,000 for the fiscal year ending June 30, 1969, $565,000,000 for the fiscal year ending June 30, 1970, $675,000,000 for the fiscal year ending June 30, 1971, $675,000,000 for the fiscal year ending June 30, 1972, and $565,000,000 for the fiscal year ending June 30, 1973, and each succeeding fiscal year for the purposes of parts B and C of this title. From the amount appropriated pursuant to the preceding sentence and alotted to each State under section 103, 90 per centum shall be available for the purposes of part B and 10 per centum shall be available for the purposes of part C.

[(b) There are also authorized to be appropriated $40,000,000 each for the fiscal years and ending June 30, 1969, and June 30, 1970, $50,000,000 for the fiscal year ending June 30, 1971, and $60,000,000 for the fiscal year ending June 30, 1972, and for the succeeding fiscal years ending prior to July 1, 1975, for the purposes of section 122(a)(4)

(A). Nothing in this subsection shall be construed to affect the availability for such purposes, of appropriations made pursuant to subsection (a) of this section.

[(c) There are authorized to be appropriated $17,500,000 for the fiscal year ending June 30, 1975, for the purposes of carrying out section 122(a)(4)(C). Nothing in this subsection shall be construed to affect the availabiilty for such purpose of appropriations made pursuant to subsection (a).

[(d) There are further authorized to be appropriated for each fiscal year such sums as may be necessary to pay the cost of the administration and development of State plans, the activities of advisory councils created under this title, and the evaluation and dissemination activities required pursuant to this title.

[ALLOTMENTS AMONG STATES

[SEC. 103. (a)(1) From the sums appropriated pursuant to section 102(a) the Commissioner shall first reserve an amount, not to exceed $5,000,000 in any fiscal year, for transfer to the Secretary of Labor to finance (upon terms and conditions mutually satisfactory to the Commissioner and the Secretary of Labor) national, regional, State, and local studies and projections of manpower needs for the use and guidance of Federal, State, and local officials, and of advisory councils charged with responsibilities under this title.

[(2) The remainder of the sums appropriated pursuant to section 102(a) and all of the sums appropriated pursuant to section 102(b) shall be allotted among the States on the basis of the number of persons in the various age groups needing vocational education and the per capita income in the respective States as follows: The Commissioner shall allot to each State for each fiscal year—

[(A) An amount which bears the same ratio to 50 per centum of the sums being allotted, as the product of the population aged fifteen to nineteen, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

[(B) An amount which bears the same ratio to 20 per centum of the sums being allotted, as the product of the population aged twenty to twenty-four, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

[(C) An amount which bears the same ratio to 15 per centum of the sums being allotted, as the product of the population aged twenty-five to sixty-five, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

[(D) An amount which bears the same ratio to 15 per centum of the sums being allotted, as the sum of the amounts allotted to the State under subparagraphs (A), (B), and (C) for such years bears to the sum of the amounts allotted to all the States under paragraphs (A), (B), and (C) for such year.

[(b) The amount of any State's allotment under subsection (a) for any fiscal year which is less than $10,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under such subsection, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

[(c) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the program for which such amount has been allotted shall be available, from time to time, for reallotment, on such dates during such year as the Commissioner shall fix, on the basis of criteria established by regulation, first among programs authorized by other parts of this title within that State and then among other States, except that funds appropriated under section 102(b) may only be reallotted for the use set forth in section 122 (a)(4)(A). Any amount reallotted to a State under this subsection for any fiscal year shall remain available for obligation during the next succeeding fiscal year and shall be deemed to be part of its allotment for the year in which it is obligated.

[(d)(1) The allotment ratio for any State shall be 1.00 less the product of—

[(A) 0.50, and

[(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), except that (i) the allotment ratio in no case shall be more than 0.60 or less than 0.40, and (ii) the allotment ratio for Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall be 0.60.

[(2) The allotment ratios shall be promulgated by the Commissioner for each fiscal year between July 1 and September 30 of the preceding fiscal year. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the three most recent consecutive fiscal years for which satisfactory data are available.

[(3) The term "per capita income" means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

[(4) For the purposes of this section population shall be determined by the Commissioner an the basis of the latest estimates available to him.

[NATIONAL AND STATE ADVISORY COUNCILS

[SEC. 104. (a)(1) There is hereby created a National Advisory Council on Vocational Education (hereinafter referred to as the "National Council") consisting of twenty-one members appointed by the President, without regard to the civil service laws, for terms of three years, except that (i) in the case of the initial members, seven shall be appointed for terms of one year each and seven shall be appointed for terms of two years each, and (ii) appointments to fill vacancies shall be only for such terms as remain unexpired. The Council shall include persons—

[(A) representative of labor and management, including persons who have knowledge of the semiskilled, skilled, and technical employment in such occupational fields as agriculture, home economics, distribution and marketing, health, trades, manufacturing, office and service industries, and persons representative of new and emerging occupational fields.

[(B) familiar with manpower problems and administration of manpower programs,

[(C) knowledgeable about the administration of State and local vocational education programs, including members of local school boards,

[(D) experienced in the education and training of handicapped persons and of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965),

[(E) familiar with the special problems and needs of individuals disadvantaged by their socioeconomic backgrounds,

[(F) having special knowledge of postsecondary and adult vocational education programs, and

[(G) representative of the general public who are not Federal employees, including parents and students, except that they may not be representative of categories (A) through (F), and who shall constitute no less than one-third of the total membership.

The National Council shall meet at the call of the Chairman, who shall be selected by the President, but not less than four times a year.

[(2) The National Council shall—

[(A) advise the Commissioner concerning the administration of, preparation of general regulations for, and operation of, vocational education programs supported with assistance under this title and under Part B of Title X of the Higher Education Act of 1965;

[(B) review the administration and operation of vocational education programs under this title and under Part B of Title X of the Higher Education Act of 1965, including the effectiveness of such programs in meeting the purposes for which they are established and operated, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this title) to the Secretary for transmittal to the Congress; and

[(C) conduct independent evaluations of programs carried out under this title and under Part B of Title X of the Higher Education Act of 1965, and publish and distribute the results thereof.

[(4) The Council is authorized, without regard to the civil service laws, to engage such technical assistance as may be required to carry out its functions, and to this end there are hereby authorized to be appropriated for the fiscal year ending June 30, 1969, $100,000, and for the fiscal year ending June 30, 1970, and each of the five succeeding fiscal years, $150,000.

[(5) The National Council shall review the possible duplication of vocational education programs at the postsecondary and adult levels within geographic areas, and shall make annual reports of the extent to which such duplication exists, together with its findings and recommendations, to the Secretary. In making these reports, the Council shall seek the opinions of persons familiar with postsecondary and adult vocational education in each State from schools, junior colleges, technical institutes, and other institutions of higher education, as well as from State boards of education, State junior college boards, and State boards of higher education, and persons familiar with area schools, labor, business and industry, accrediting commissions, proprietary institutions, and manpower programs. Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until July 1, 1976.

[(b)(1) Any State which desires to receive a grant under this title for any fiscal year shall establish a State advisory council, which shall be appointed by the Governor or, in the case of States in which the members of the State board are elected (including election by the State legislature), by such board, and which shall—

[(A) include as members a person or persons—

[(i) familiar with the vocational needs and the problems of management and labor in the State, and a person or persons representing State industrial and economic development agencies,

[(ii) representative of community and junior colleges and other institutions of higher education, area vocational schools, technical institutes, and postsecondary or adult education agencies or institutions, which may provide programs of vocational or technical education and training,

[(iii) familiar with the administration of State and local vocational education programs, and a person or persons having special knowledge, experience, or qualifications with respect to vocational education and who are not involved in the administration of State or local vocational education programs,

[(iv) familiar with programs of technical and vocational education, including programs in comprehensive secondary schools,

[(v) representative of local educational agencies, and a person or persons who are representative of school boards,

[(vi) representative of manpower and vocational education agencies in the State, including a person or persons from the Comprehensive Area Manpower Planning System of the State,

[(vii) representing school systems with large concentrations of academically, socially, economically, and culturally disadvantaged students (and may include, where appropriate, students who are persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965)),

[(viii) having special knowledge, experience, or qualifications, with respect to the special educational needs of physically or mentally handicapped persons, and [(ix) representative of the general public, including a person or persons representative of and knowledgeable about the poor and disadvantaged, who are not qualified for membership under any of the preceding clauses of this paragraph;

[(B) advise the State board on the development of and policy matters arising in the administration of the State plan submitted pursuant to part B of this title, including the preparation of long-range and annual program plans pursuant to paragraphs (4) and (5) of section 123(a);

[(C) evaluate vocational education programs, services and activities assisted under this title, and publish and distribute the results thereof; and

[(D) prepare and submit through the State board to the Commissioner and to the National Council an annual evaluation report, accompanied by such additional comments of the State board as the State board deems appropriate, which (i) evaluates the effectiveness of vocational education programs, services, and activities carried out in the year under review in meeting the program objectives set forth in the long-range program plan and the annual program plan provided for in paragraphs (4) and (5) of section 123(a), and (ii) recommends such changes in such programs, services, and activities as may be warranted by the evaluations.

[(2) Not less than ninety days prior to the beginning of any fiscal year ending after June 30, 1969, in which a State desires to receive a grant under this title, that State shall certify the establishment of, and membership of, its State Advisory Council to the Commissioner.

[(3) Each State Advisory Council shall meet within thirty days after certification has been accepted by the Commissioner and select from among its membership a chairman. The time, place, and manner of meeting shall be as provided by the rules of the State Advisory Council, except that such rules must provide for not less than one public meeting each year at which the public is given opportunity to express views concerning vocational education.

[(4) State Advisory Councils are authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this title and to contract for such services as may be necessary to enable them to carry out their evaluation functions.

[(c) State advisory councils also shall perform with respect to the programs carried out under part B of title X of the Higher Education Act of 1965 functions identical with or analogous to those assigned under this title, and the Commissioner shall assure that adequate funds are made available to such Councils from funds appropriated to carry out part B of that title (without regard to whether such funds have been allotted to States) to enable them to perform such functions.

[(d) From the sums appropriated pursuant to section 102(c) for any fiscal year, the Commissioner is authorized (in accordance with regulations) to pay to each State Advisory Council an amount equal to the reasonable amounts expended by it in carrying out its functions under this title in such fiscal year, except that the amount available for such purpose shall be equal to 1 per centum of the State's allotment under section 103, but such amount shall not exceed $150,000 and shall not be less than $50,000.

[LIMITATION ON PAYMENTS UNDER THIS TITLE

[SEC. 107. (a) Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction, or for the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

[(b) Funds appropriated pursuant to this title may be used for residential vocational education schools only to the extent that the operaion of such schools is consistent with general regulations of the Commissioner concerning the operation of such schools, but in no case may juveniles be assigned to such schools as the result of their delinquent conduct, and such facilities may not be used in such a manner as to result in racial segregation.

[DEFINITIONS

[SEC. 108. For the purposes of this title—

[(1) The term "vocational education" means vocational or technical training or retraining which is given in schools or classes (including field or laboratory work and remedial or related academic and technical instruction incident thereto) under public supervision and control or under contract with a State board or local educational agency and is conducted as part of a program designed to prepare individuals for gainful employment (including volunteer firemen) as semiskilled or skilled workers or technicians or subprofessionals in recognized occupations and in new and emerging occupations or to prepare individuals for enrollment in advanced technical education programs, but excluding any program to prepare individuals for employment in occupations which the Commissioner determines, and specifies by regulation, to be generally considered professional or which requires a baccalaureate or higher degree; and such term includes vocational guidance and counseling (individually or through group instruction) in connection with such training or for the purpose of facilitating occupational choices; instruction related to the occupation or occupations for which the students are in training or instruction necessary for students to benefit from such training; job placement; the training of persons engaged as, or preparing to become, teachers in a vocational education program or preparing such teachers to meet special education needs of handicapped students; teachers, supervisors, or directors of such teachers while in such a training program; travel of students and vocational education personnel while engaged in a training program; and the acquisition, maintenance, and repair of instructional supplies, teaching aids, and equipment, but such term does not include the construction, acquisition, or initial equipment of buildings or the acquisition or rental of land. Such terms includes industrial arts education programs in cases where the Commissioner determines by regulation that such programs will accomplish or facilitate one or more of the purposes of the first sentence of this paragraph.

[(2) The term "area vocational education school" means—

[(A) a specialized high school used exclusively or principally for the provision of vocational education to persons who are available for study in preparation for entering the labor market, or

[(B) the department of a high school exclusively or principally used for providing vocational education in no less than five different occupational fields to persons who are available for study in preparation for entering the labor market, or

[(C) a technical or vocational school used exclusively or principally for the provision of vocational education to persons who have completed or left high school and who are available for study in preparation for entering the labor market, or

[(D) the department or division of a junior college or community college or university which provides vocational education in no less than five different occupational fields, under the supervision of the State Board, leading to immediate employment but not necessarily leading to a baccalaureate degree,

if it is available to all residents of the State or an area of the State designated and approved by the State Board, and if, in the case of a school, department, or division described in (C) or (D), if it admits as regular students both persons who have completed high school and persons who have left high school.

[(3) The term "school facilities" means classrooms and related facilities (including initial equipment) and interests in lands on which such facilities are constructed. Such term shall not include any facility intended primarily for events for which admission is to be charged to the general public.

[(4) The term "construction" includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and includes site grading and improvement and architect fees.

[(5) The term "Commissioner" means the Commissioner of Education, and the term "Secretary" means the Secretary of Health, Education, and Welfare.

[(6) The term "handicapped," when applied to persons, means persons who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled or other health impaired persons who by reason thereof require special education and related services.

[(7) The term "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

[(8) The term "State Board" means a State Board designated or created by State law as the sole State agency responsible for the administration of vocational education, or for supervision of the administration thereof by local educational agencies, in the State.

[(9) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public educational institution or agency having administrative control and direction of a vocational education program.

[(10) The term "high school" does not include any grade beyond grade 12.

[(11) The term "private vocational training institution" means a business or trade school, or technical institution or other technical or vocational school, in any State, which (A) admits as regular students only persons who have completed or left elementary or secondary school and who have the ability to benefit from the training offered by such institution; (B) is legally authorized to provide, and provides within that State, a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations; (C) has been in existence for two years or has been specially accredited by the Commissioner as an institution meeting the other requirements of this subsection; and (D) is accredited (i) by a national recognized accrediting agency or association listed by the Commissioner pursuant to this clause, or (ii) if the Commissioner determines that there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, by a State agency listed by the Commissioner pursuant to this clause, or (iii) if the Commissioner determines that there is no nationally recognized or State agency or association qualified to accredit schools of a particular category, by an advisory committee appointed by him and composed of persons specially qualified to evaluate training provided by schools of that category, which committee shall prescribe the standards of content, scope, and quality which must be met by those schools and shall also determine whether particular schools meet those standards. For the purpose of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations and State agencies which he determines to be reliable authority as to the quality of education or training afforded.

[(12) The term "Vocational Education Act of 1946" means titles I, II, and III of the Act of June 9, 1936, as amended (20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj, 15aaa–15ggg).

[(13) The term "supplementary vocational education Acts" means section 1 of the Act of March 3, 1931 (20 U.S.C. 30) (relating to vocational education in Puerto Rico), the Act of March 18, 1950 (20 U.S.C. 31–33) (relating to vocational education in the Virgin Islands), and section 9 to the Act of August 1, 1956 (20 U.S.C. 34) (relating to vocational education in Guam).

[(14) The term "vocational training" means training or retraining which is conducted as part of a program designed to prepare individuals for gainful employment as semiskilled or skilled workers or technicians or subprofessionals in recognized occupations and in new and emerging occupations, but excluding any program to prepare individuals for employment in occupations which the Commissioner determines, and specifies by regulation, to be generally considered professional which requires a baccalaureate or higher degree; such term includes guidance and counseling (either individually or through group instruction) in connection with such training or for the purpose of facilitating occupational choices; instruction related to the occupation or occupations to which the students are in training or instruction necessary for students to benefit from such training; the training of persons engaged as, or preparing to become, instructors in vocational training program; travel of students and vocational training personnel while engaged in a training program; and the acquisition, maintenance, and repair of instructional supplies, aids, and equipment, but such term does not include the construction, acquisition, or initial equipment of buildings or the acquisition or rental of land.

[(15) The term "postsecondary educational institution" means a nonprofit institution legally authorized to provide postsecondary education within a State for persons sixteen years of age or older, who have graduated from or left elementary or secondary school.

[Part B—State Vocational Education Programs

[AUTHORIZATION OF GRANTS

Sec. 121. From the sums made available for grants under this part pursuant to section 106 and 103, the Commissioner is authorized to make grants to States to assist them in conducting vocational education programs for persons of all ages in all communities of the States, which are designed to insure that education and training programs for career vocations are available to all individuals who desire and need such education and training.

[USES OF FEDERAL FUNDS

[Sec. 122. (a) Grants to States under this part may be used, in accordance with State plans approved pursuant to section 123, for the following purposes:

[(1) vocational education programs for high school students, including such programs which are designed to prepare them for advanced or highly skilled postsecondary vocational and technical education;

[(2) vocational education for persons who have completed or left high school and who are available for study in preparation for entering the labor market;

[(3) vocational education for persons (other than persons who are receiving training allowances under the Manpower Development and Training Act of 1962 (Public Law 87–415), the Area Redevelopment Act (Public Law 87–27), or the Trade Expansion Act of 1962 (Public Law 87–794)) who have already entered the labor market and who need training or retraining to achieve stability or advancement in employment;

[(4)(A) vocational education for persons (other than handicapped persons defined in section 108(6)) who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education program;

[(B) vocational education for handicapped persons who because of their handicapping condition cannot succeed in the regular vocational education program without special educational assistance or who require a modified vocational education program;

[(C) vocational education for students of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965) carried out in coordination with bilingual education programs under such title VII and bilingual adult education programs under section 306(a)(11) of the Adult Education Act;

[(5) construction of area vocational education school facilities;

[(6) vocational guidance and counseling designed to aid persons enumerated in paragraphs (1) through (4) of this subsection in the selection of, and preparation for, employment in all vocational areas;

[(7) provision of vocational training through arrangements with private vocational training institutions where such private institutions can make a significant contribution to attaining the objectives of the State plan, and can provide substantially equivalent training at a lesser cost, or can provide equipment or services not available in public institutions; and

[(8) ancillary services and activities to assure quality in all vocational education programs, such as teacher training and supervision, program evaluation, special demonstration and experimental programs, development of instructional materials, and improved State administration and leadership, including periodic evaluation of State and local vocational education programs and services in light of information regarding current and projected manpower needs and job opportunities.

[(b) In addition to the uses of funds specified in subsection (a), funds appropriated pursuant to section 102(c) and paid to a State for the following purpose by the Commissioner may be used for—

[(1) the development of the State plan;

[(2) State administration of the State plan, including obtaining information regarding current and projected manpower needs and job opportunities; and

[(3) the evaluations required under this title and the dissemination of the results thereof.

[(c)(1) At least 25 per centum of that portion of each State's allotment of funds appropriated under section 102(a) for any fiscal year beginning after June 30, 1969, which is in excess of its base allotment shall be used only for the purpose set forth in paragraph (4)(A) of subsection (a): *Provided*, That for any such fiscal year the amount used for such purpose shall not be less than 15 per centum of the total allotment of such funds for each State, except as any requirement under this paragraph may be waived for any State by the Commissioner for any fiscal year upon his finding that the requirement imposes a hardship or is impractical in its application.

[(2) At least 25 per centum of that portion of each State's allotment of funds appropriated under section 102(a) for any fiscal year beginning after June 30, 1969, which is in excess of its base allotment shall be used only for the purpose set forth in paragraph (2) of subsection (a): *Provided*, That for any such fiscal year the amount used for such puropse shall not be less than 15 per centum of the total allotment of such funds for each State, except as any requirement under this paragraph may be waived for any State by the Commissioner for any fiscal year upon his finding that the requirement imposes a hardship or is impractical in its application.

[(3) At least 10 per centum of each State's allotment of funds appropriated under section 102(a) for any fiscal year beginning after June 30, 1969, shall be used only for the purpose set forth in paragraph 4(B) of subsection (a).

[(4) As used in this subsection, the term "base allotment" means the sum of the allotments to a State for the fiscal year ending June 30, 1969, from (1) sums appropriated under section 102(a) of this Act, (2) the Smith-Hughes Act (that is, the Act approved February 23, 1917 (39 Stat. 929; 20 U.S.C. 11-15, 16-28)), (3) the Vocational Education Act of 1946, and (4) any of the supplementary vocational educational Acts (including, in the case of American Samoa, section 2 of the Act of September 25, 1962, 48 U.S.C. 1667).

[STATE PLANS

[SEC. 123. (a) Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this title shall submit a State plan at such time, in such detail, and containing such information as the Commissioner deems necessary, which meets the requirements set forth in this title. The Commissioner shall approve a plan submitted by a State if he determines that the plan submitted for that year—

[(1) has been prepared in consultation with the State advisory council for that State;

[(2) designates the State board as the sole agency for administration of the State plan, or for supervision of the administration thereof by local educational agencies;

[(3) has been submitted only after the State board (A) has given reasonable notice, and afforded a reasonable opportunity for a public hearing, and (B) has implemented policies and procedures to insure that copies of the State plan and all statements of general policies, rules, regulations, and procedures issued by the State board concerning the administration of such plan will be made reasonably available to the public;

[(4) sets forth a long-range program plan (or, as is appropriate, a supplement to, or revision of, a previously submitted long-range plan) for vocational education in the State, which program plan (A) has been prepared in consultation with the State advisory council, (B) extends over such period of time (but not more than five years or less than three years), beginning with the fiscal year for which the State plan is submitted, as the Commissioner deems necessary and appropriate for the purposes of this title, (C) describes the present and projected vocational education needs of the State in terms of the purposes of this title, and (D) sets forth a program of vocational education objectives which affords satisfactory assurance of substantial progress toward meeting the vocational education needs of the potential students in the State;

[(5) sets forth an annual program plan, which (A) has been prepared in consultation with the State advisory council, (B) describes the content of, and allocation of Federal and State vocational education funds to programs, services, and activities to be carried out under the State plan during the year for which Federal funds are sought (whether or not supported with Federal funds under this title), (C) indicates how and to what extent, such programs, services, and activities will carry out the program objectives set forth in the long-range program plan provided for in paragraph (4), and (D) indicates how, and to what extent, allocations of Federal funds allotted to the State will take into consideration the criteria set forth in the State plan pursuant to paragraph (6), and (E) indicates the extent to which consideration was given to the findings and recommendations of the State advisory council in its most recent evaluation report submitted pursuant to section 104;

[(6) sets forth in detail the policies and procedures to be followed by the State in the distribution of funds to local educational agencies in the State and for the uses of such funds, specified in paragraphs (1) through (8) of section 122(a), for the programs, services, and activities set forth in the program plans submitted pursuant to paragraphs (4) and (5), which policies and procedures assure that—

[(A) due consideration will be given to the results of periodic evaluations of State and local vocational education programs, services, and activities in the light of information regarding current and projected manpower needs and job opportunities, particularly new and emerging needs and opportunities on the local, State, and national levels,

[(B) due consideration will be given to the relative vocational education needs of all population groups in all geographic areas and communities in the State, particularly persons with academic, socioeconomic, mental, and physical handicaps that prevent them from succeeding in regular vocational education programs,

[(C) due consideration will be given to the relative ability of particular local educational agencies within the State, particularly those in economically depressed areas and those with high rates of unemployment, to provide the resources necessary to meet the vocational education needs in the areas or communities served by such agencies,

[(D) due consideration will be given to the cost of the programs, services, and activities provided by local educational agencies which is in excess of the cost which may be normally attributed to the cost of education in such local educational agencies,

[(E) funds made available under this title will not be allocated to local educational agencies in a manner, such as the matching of local expenditures at a percentage ratio uniform throughout the State, which fails to take into consideration the criteria set forth in paragraphs (A), (B), (C), and (D),

[(F) applications from local educational agencies for funds—

[(i) have been developed in consultation with representatives of the educational and training resources available to the area to be served by the applicant,

[(ii) are designed to provide the persons to be served with education programs which will make substantial progress toward preparing such persons for a career,

[(iii) include assurances of adequate planning to meet the vocational education needs of potential students in the area or community served by such agency, and,

[(iv) include a plan, related to the appropriate comprehensive area manpower plan (if any), for meeting the vocational education needs in the area or community served by such agency; and

[(v) indicate how, and to what extent the vocational education programs, services, and activities proposed in the application will meet the needs set forth pursuant to clause (iii); and

[(G) no local educational agency which is making a reasonable tax effort, as defined by regulations, will be denied funds for the establishment of new vocational education programs solely because the local educational agency is unable to pay the non-Federal share of the cost of such new programs;

[(7) provides minimum qualification for teachers, teacher-trainees, supervisors, directors, and other personnel having responsibilities for vocational education in the State and the policies and procedures developed to improve the qualifications of such personnel and to insure that such qualifications continue to reflect a direct relationship with the need for personnel in vocational education programs carried out under the State plan;

[(8) provides for entering into cooperative arrangements with the system of public employment offices in the State approved by the State board and by the State head of such system, looking toward such offices making available to the State board and local educational agencies occupational information regarding reasonable prospects of employment in the community and elsewhere, and toward consideration of such information by such board and agencies in providing vocational guidance and counseling to students and prospective students and in determining the occupations for which persons are to be trained; and looking toward guidance and counseling personnel of the State board and local educational agencies making available to public employment offices information regarding the occupational qualifications of persons leaving or completing vocational education courses or schools, and toward consideration of such information by such offices in the occupational guidance and placement of such persons;

[(9) provides that in the development of vocational education programs, services and activities under this title, there may be, in addition to the cooperative arrangements provided for in paragraph (8), cooperative arrangements with other agencies, organizations, and institutions concerned with manpower needs and job opportunities, such as institutions of higher education, and model city, business, labor, and community action organizations;

[(10 provides that effective use will be made of the results and experience of programs and projects assisted under other parts of this title;

[(11) provides assurance that Federal funds made available under this part will be so used as to supplement, and to the extent practical, increase the amount of State and local funds that would in the absence of such Federal funds be made available for the uses set forth in section 122(a), so that all persons in all communities of the State will as soon as possible have ready access to vocational training suited to their needs, interests, and ability to benefit therefrom, and in no case supplant such State or local funds;

[(12) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this title;

[(13) provides that any local educational agency dissatisfied with final action with respect to any application for funds under this title shall be given reasonable notice and opportunity for a hearing;

[(14) provides assurance that the requirements of section 106 will be complied with on all construction projects in the State assisted under this title;

[(15) provides for compliance with the requirements with respect to the use of funds set forth in section 122(c);

[(16) provides that grants made from sums appropriated under section 102(b) shall (A) be allocated within the State to areas of high concentration of youth unemployment and school dropouts, and (B) be made only if (i) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students, and (ii) effective policies and procedures will be adopted which assure that Federal funds made available under this section to accommodate students in nonprofit private schools will not be commingled with State or local funds;

[(17) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports; and

[(18) includes provisions which shall assure that funds authorized by this title will not be used for any program of vocational education (except homemaking programs under part F) which cannot be demonstrated to (A) prepare students for employment or (B) be necessary to prepare individuals for successful completion of such a program, or (C) be of significant assistance to individuals enrolled in making an informed and meaningful occupational choice.

[(b) The Commissioner shall not approve a State plan under this section until he has made specific findings as to the compliance of such plan with the requirements of this part and he is satisfied that adequate procedures are set forth to insure that the assurances and provisions of such plan will be carried out.

[(c)(1) The Commissioner shall not finally disapprove any plan submitted under subsection (a), or any modification thereof, without first affording the State board submitting the plan reasonable notice and opportunity for a hearing.

[(2) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State board administering a State plan approved under subsection (a), finds that—

[(A) the State plan has been so changed that it no longer complies with the provisions of subsection (a), or

[(B) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State board that no further payments will be made to the State under this title (or, in his discretion, further payments to the State will be limited to programs under or portions of the State plan not affected by such failure) until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Commissioner shall make no further payments to such State under this title (or shall limit payments to programs under or portions of the State plan not affected by such failure).

[(3) A State board which is dissatisfied with a final action of the Commissioner under this subsection or subsection (b) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record the Commissioner may modify or set aside his action. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

[(d)(1) If any local educational agency is dissatisfied with the final action of the State board with respect to approval of an application by such local agency for a grant pursuant to this title, such local agency may, within sixty days after such final action or notice thereof, whichever is later, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the State board. The State board thereupon shall file in the court the record of the proceedings on which the State board based its action as provided in section 2112 of title 28, United States Code.

[(2) The findings of fact by the State board, if supported by substantial evidence shall be conclusive; but the court, for good cause shown, may remand the case to the State board to take further evidence, and the State board may thereupon make new or modified finding of fact and may modify its previous action, and shall certify to the court the record of the further proceedings.

[(3) The court shall have jurisdiction to affirm the action of the State board or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

[PAYMENTS TO STATES

[SEC. 124. (a) The Commissioner shall pay, from the amount available to the State for grants under this part, to each State an amount equal to 50 per centum of the State and local expenditures in carrying out its State plan as approved pursuant to section 123, except that—

[(1) allotments of States under section 103 from sums appropriated under section 102(b) may be used, at the discretion of the Commissioner, for paying all or part of the expenditures of the States from such allotements; and

[(2) in the case of the Trust Territory of the Pacific Islands and American Samoa, such amount shall be equal to 100 per centum of such expenditures.

[(b) Payments under this title may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

[(c) No payments shall be made in any fiscal year under this title to any local educational agency or to any State unless the Commissioner finds, in the case of a local educational agency, that the combined fiscal effort of that agency and the State with respect to the provision of vocational educational by that agency for the preceding fiscal year was not less than such combined fiscal effort for that purpose for the second preceding fiscal year or, in the case of a State, that the fiscal effort of that State for vocational education in that State for the preceding fiscal year was not less than such fiscal effort for vocational education for the second preceding fiscal year.

[PART C—RESEARCH AND TRAINING IN VOCATIONAL EDUCATION

[AUTHORIZATION OF GRANTS AND CONTRACTS

[SEC. 131. (a) From 50 per centum of the sums available to each State for the purposes of this part the Commissioner is authorized to make grants to and contracts with institutions of higher education, public and private agencies and institutions, State boards, and, with the approval of the appropriate State board, to local educational agencies in that State for the purposes set forth in section 132, except that no grant may be made other than to a nonprofit agency or institution.

[(b) The remaining 50 per centum of the sums available to each State for the purposes of this part shall be used by its State board, in accordance with its State plan, (1) for paying up to 75 per centum of the costs of the State research coordination unit, and (2) for grants to colleges and universities, and other public or nonprofit private agencies and institutions, and local educational agencies and contracts with private agencies, organizations, and institutions to pay 90 per centum of the costs of programs and projects for (i) research and training programs, (ii) experimental, developmental, or pilot programs developed by such institutions and agencies and designed to meet the special vocational needs of youths, particularly youths in economically depressed communities who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education programs, and (iii) the dissemination of information derived from the foregoing programs or from research and demonstrations in the field of vocational education, which programs and projects have been recommended by the State research coordination unit or by the State advisory council.

[USES OF FEDERAL FUNDS

[SEC. 132. The funds available for grants and contracts under section 131(a) may be used for—

[(1) research in vocational education;

[(2) training programs designed to familiarize persons involved in vocational education with research findings and successful pilot and demonstration projects in vocational education;

[(3) experimental, developmental, and pilot programs and projects designed to test the effectiveness of research findings;

[(4) demonstration and dissemination projects;

[(5) the development of new vocational education curricula; and

[(6) projects in the development of new careers and occupations, such as—

[(A) research and experimental projects designed to identify new careers in such fields as mental and physical health, crime prevention and correction, welfare, education, municipal services, child care, and recreation requiring less training than professional positions and to delineate within such careers roles with the potential for advancement from one level to another;

[(B) training and development projects designed to demonstrate improved methods of securing the involvement, cooperation, and commitment of both the public and private sectors toward the end of achieving greater coordination and more effective implementation of programs for the employment of persons in the fields described in subparagraph (A), including programs to prepare professionals (including administrators) to work effectively with aides; and

[(C) projects to evaluate the operation of programs for the training, development, and utilization of public service aides, particularly their effectiveness in providing satisfactory work experiences and in meeting public needs.

[APPLICATIONS

[SEC. 133. (a) A grant or contract under section 131(a) may be made upon application to the Commissioner at such time or times, in such manner, and containing, or accompanied by, such information as the Commissioner deems necessary. Such application shall contain—

[(1) a description of the nature, duration, purpose, and plan of the project;

[(2) the qualifications of the principal staff who will be responsible for the project;

[(3) a justification of the amount of grant funds requested;

[(4) the portion of the cost to be borne by the applicant; and

[(5) such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant.

[(b) The Commissioner may not approve an application until such application has been reviewed by a panel of experts who are not employees of the Federal Government.

[PAYMENTS

[SEC. 134. From the amount available for grants or contracts under section 131(a), the Commissioner shall pay to each applicant part of the amount expended by such applicant in accordance with the application approved pursuant to section 133.

[PART D—EXEMPLARY PROGRAMS AND PROJECTS

[FINDINGS AND PURPOSE

[SEC. 141. The Congress finds that it is necessary to reduce the continuing seriously high level of youth unemployment by developing means for giving the same kind of attention as is now given to the college preparation needs of those young persons who go on to college, to the job preparation needs of the two out of three young persons who end their education at or before completion of the secondary level, too many of whom face long and bitter months of job hunting or marginal work after leaving school. The purposes of this part, therefore, are to stimulate, through Federal financial support, new ways to create a bridge between school and earning a living for young people, who are still in school, who have left school either by graduation or by dropping out, or who are in postsecondary programs of vocational preparation, and to promote cooperation between public education and manpower agencies.

[AUTHORIZATION OF GRANTS AND CONTRACTS

[SEC. 142. (a) There are hereby authorized to [illegible] appropriated $15,000,000 for the fiscal year ending June 30, 1969, $5[illegible]00,000 for the fiscal year ending June 30, 1970, and $75,500,000 for each of the five succeeding fiscal years to enable the Commissioner to carry out the provisions of this part.

[(b) (1) From the sums appropriated pursuant to this part the Commissioner shall reserve such amount, but not in excess of 3 per centum thereof, as he may determine and shall allot such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territories of the Pacific Islands according to their respective needs for assistance under this part.

[(2) From the remainder of such sums the Commissioner shall allocate $200,000 to each State (except for those provided for in paragraph (1)), and he shall in addition allocate to each such State an amount which bears the same ratio to any residue of such remainder as the population aged fifteen to nineteen, both inclusive, in the State bears to the population of such ages in all such States.

[(c) From 50 per centum of the sums allotted to each State for the purposes of this part, the Commissioner is authorized to make grants to or contracts with State boards or local educational agencies for the purpose of stimulating and assisting in the development, establishment, and operation of programs or projects designed to carry out the purposes of this part. The Commissioner also may make in such State from such sums, grants to other public or nonprofit private agencies, organizations, or institutions, or contracts with public or private agencies, organizations, or institutions, when such grants or contracts will make an especially significant contribution to attaining the objectives of this part.

[(d) The State board may use the remaining 50 per centum of such sums for making grants to local educational agencies or other public or nonprofit private agencies, organizations, or institutions, or contracts with public or private agencies, organizations, or institutions including business and industrial concerns, upon such terms and conditions consistent with the provisions of this part and with its State plan approved pursuant to section 123, as it determines will most effectively carry out the development, establishment, and operation of exemplary and innovative occupational education programs or projects designed to serve as models for use in vocational education programs.

[USES OF FUNDS

[SEC. 143. (a) Grants or contracts pursuant to this part may be made, upon terms and conditions consistent with the provisions of this part, to pay all or part of the cost of—

[(1) planning and developing exemplary programs or projects such as those described in paragraph (2), or

[(2) establishing, operating, or evaluating exemplary programs or projects designed to carry out the purposes set forth in section 141, and to broaden occupational aspirations and opportunities for youths, with special emphasis given to youths who have academic, socioeconomic, or other handicaps, which programs or projects may, among others, include—

[(A) those designed to familiarize elementary and secondary school students with the broad range of occupations for which special skills are required and the requisites for careers in such occupations;

[(B) programs or projects for students providing educational experiences through work during the school year or in the summer;

[(C) programs or projects for intensive occupational guidance and counseling during the last years of school and for initial job placement;

[(D) programs or projects designed to broaden or improve vocational education curriculums;

[(E) exchanges of personnel between schools and other agencies, institutions, or organizations participating in activities to achieve the purposes of this part, including manpower agencies and industry;

[(F) programs or projects for young workers released from their jobs on a part-time basis for the purpose of increasing their educational attainment; and

[(G) programs or projects at the secondary level to motivate and provide preprofessional preparation for potential teachers for vocational education.

[(b)(1) A grant or contract pursuant to this part may be made only if the Commissioner is in the case of grants or contracts made by him, or the State board, in the case of grants or contracts made by it, determines—

[(A) that effective procedures will be adopted by grantees and contractors to coordinate the development and operation of other programs and projects carried out under grants or contracts pursuant to this part, with the appropriate State plan, and with other public and private programs having the same or similar purposes;

[(B) that to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students; and

[(C) that effective policies and procedures will be adopted which assure that Federal funds made available under this part will not be commingled with State or local funds.

[(2) The amount available to a State pursuant to section 142(d) shall be available for obligation for grants or contracts pursuant to the State plan approved under section 123, for paying all of the cost of programs described in section 142(d) and section 143(a) during that year and the succeeding fiscal year.

[(3) No grant or contract (other than a grant or contract with a State board) shall be made by the Commissioner under section 142(c) with respect to any program or project unless such program or project has been submitted to the State board in the State in which it is to be conducted and has not been disapproved by the State board within sixty days of such submission or within such longer period of time as the Commissioner may determine pursuant to regulations.

[(4) Notwithstanding any other provision of law, unless hereafter enacted expressly in limitation of the provisions of this paragraph, funds available to Commissioner purusant to section 142(c) shall remain available until expended.

[PAYMENTS

[Sec. 144. From the amount available for grants and contracts, under this part pursuant to section 142(c), in the appropriate State, the Commissioner shall pay to each applicant an amount equal to the amount expended by such applicant in accordance with the approved application. Such payment may be made on such terms as are approved in such application. Payment pursuant to grants under this part may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Commissioner may determine.

[LIMITATION ON DURATION OF ASSISTANCE

[Sec. 145. Financial assistance may not be given under this part to any program or project for a period exceeding three years.

[Part E—Residential Vocational Education

[DEMONSTRATION SCHOOLS

[Sec. 151. (a) For the purpose of demonstrating the feasibility and desirability of residential vocational education schools for certain youths of high school age, the Commissioner is authorized to make grants, out of sums appropriated pursuant to subsection (b) to State boards, to colleges and universities, and with the approval of the appropriate State board, to public educational agencies, organizations or institutions for the construction, equipment, and operation of residential schools to provide vocational education (including room, board, and other necessities) for youths, at least fifteen years of age and less than twenty-one years of age at the time of enrollment, who need full-time study on a residential basis in order to benefit fully from such education. In making such grants, the Commissioner shall give special consideration to the needs of large urban areas having substantial numbers of youths who have dropped out of school or are unemployed and shall seek to attain, as nearly as practicable in the light of the purposes of this section, an equitable geographical distribution of such schools.

[(b) There are authorized to be appropriated for the purpose of this section $25,000,000 for the fiscal year ending June 30, 1969, $30,000,000 for the fiscal year ending June 30, 1970, and $35,000,000 each for the fiscal year ending June 30, 1971, and for each of the succeeding fiscal years ending prior to July 1, 1975.

[STATE PROGRAMS

[SEC. 152. (a)(1) There are hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1969, and for each of the succeeding fiscal years ending prior to July 1, 1975, for grants to the States to provide residential vocational education facilities in accordance with the provisions of this section.

[(2) From the sums appropriated under paragraph (1), the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the population of each State bears to the population of all the States.

[(3) For purposes of this section—

[(A) the term "State" does not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

[(B) the amount allotted under this subsection to any State for the fiscal year ending June 30, 1969, shall be available for payments to applicants with approved applications in that State during that year and the next fiscal year; and

[(C) the amount of any State's allotment under subsection (a)(2) for any fiscal year, which the Commissioner determines will not be required for such fiscal year for carrying out the State's plan approved under subsection (b), shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which as determined by the Commissioner are able to use without delay any amounts so reallotted for the purposes set forth in subsection (b). Any amount realloted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

[(b)(1) Funds allotted to the States under subsection (a) shall be used by the States, or, with the approval of the State boards, by public educational agencies, organizations, or institutions within such State, to pay the Federal share of the cost of planning, constructing, and operating residential vocational education facilities to provide vocational education (including room, board, and other necessities) for youths, at least age fourteen but who have not attained age twenty-one at the time of admission to the training program, who need full-time study on a residential basis and who can profit from vocational education instruction. In the administration of the program conducted under this section, special consideration shall be given to needs in geographical areas having substantial or disproportionate numbers of youths who have dropped out of school or are unemplyed, and to serving persons from such areas.

[(2) For purposes of this section, the Federal share of the cost of planning, constructing, and operating residential vocational education facilities shall not exceed 90 per centum of the costs incurred in any fiscal year.

[(c) For purposes of this section the State plan approved under section 123 shall set forth the policies and procedures to be used by the State in determining the size and location of such residential vocational facilities, taking into account the use of existing vocational education facilities. Such policies and procedures must give assurance that—

[(1) adequate provision will be made for the appropriate selection without regard to sex, race, color, religion, national origin or place of residence within the State of students needing education and training at such school;

[(2) the residential school facility will be operated and maintained for the purpose of conducting a residential vocational education school program;

[(3) vocational course offerings at such school will include fields for which available labor market analyses indicate a present or continuing need for trained manpower, and that the courses offered will be appropriately designed to prepare enrollees for entry into employment or advancement in such fields; and

[(4) no fees, tuition, or other charges will be required of students who occupy the residential vocational education facility.

[(d) For purposes of this section—

[(1) the term "residential school facility" means a school facility (as defined in section 108(3)), used for residential vocational education purposes. Such term also includes dormitory, cafeteria, and recreational facilities, and such other facilities as the Commissioner determines are appropriate for a residential vocational education school,

[(2) the term "operation" means maintenance and operation, and includes the cost of salaries, equipment, supplies, and materials, and may include but is not limited to other reasonable costs of services and supplies needed by residential students, such as clothing and transportation.

[GRANTS TO REDUCE BORROWING COSTS FOR SCHOOLS AND DORMITORIES

[SEC. 153. (a) The Commissioner is authorized to make annual grants to State boards, to colleges and universities, and with the approval of the appropriate State board, to public educational agencies, organizations, or institutions to reduce the cost of borrowing funds for the construction of residential schools and dormitories to provide vocational education for youths, at least fourteen years of age and less than twenty-one years of age at the time of enrollment, who need full-time study on a residential basis in order to benefit fully from such education. In making contracts for such grants, the Commissioner shall give special consideration to the needs of urban and rural areas having substantial numbers of youths who have dropped out of school or are unemployed and shall seek to attain an equitable geographical distribution of such schools.

[(b) Annual grants with respect to the construction of any such residential school shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount equal to the difference between (1) the average annual debt service required to be paid, during the life of the loan, on the amount borrowed for the construction of such facilities, and (2) the average annual debt service which the institution would be required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were 3 per centum per annum.

[(c) The Commissioner shall not enter into a contract for grants under this section unless he determines that the amount borrowed does not exceed the total cost of construction of the facilities, and that such construction will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

(d)(1) There are hereby authorized to be appropriated such sums as may be necessary for the payment of annual grants in accordance with this section.

[(2) Contracts for annual grants under this section shall not be entered into for an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual grants which may be paid in any year pursuant to contracts entered into under this section shall not exceed $5,000,000, which amount shall be increased by $5,000,000 on July 1, 1970, and on July 1 of each of the four succeeding fiscal years.

[Part F—Consumer and Hommaking Education

[Authorization

[Sec. 161. (a)(1) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1970, $25,000,000, for the fiscal year ending June 30, 1971, $35,000,000 and for each of the succeeding fiscal years ending prior to July 1, 1975, $50,000,000, for the purposes of this part. From the sums appropriated pursuant to this paragraph for each fiscal year, the Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under section 103 except that, for the purposes of this section, there shall be no reservation of 10 per centum of such sums for research and training programs and 100 per centum of the amount appropriated pursuant to this section shall be allotted among the States.

[(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved under subsection (b) shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which, as determined by the Commissioner, are able to use without delay any amounts so reallotted for the purposes set forth in subsection (b). Any amounts reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

[(b) For purposes of this part the State plan approved under section 123 shall set forth a program under which Federal funds paid to a State from its allotment under subsection (a) will be expended solely for (1) educational programs which (A) encourage home economics to give greater consideration to social and cultural conditions and needs, especially in economically depressed areas, (B) encourage preparation for professional leadership, (C) are designed to prepare youths and adults for the role of homemaker, or to contribute to the employability of such youths and adults in the dual role of homemaker and wage earner, (D) include consumer education programs including promotion of nutritional knowledge and food use and the understanding of the economic aspects of food use and purchase, and (E) are designed for persons who have entered, or are preparing to enter, the work of the home, and (2) ancillary services, activities and other means of assuring quality in all homemaking education programs, such as teacher training and supervision, curriculum development research, program evaluation, special demonstration and experimental programs, development of instructional materials, provision of equipment, and State administration and leadership.

[(c) From a State's allotment under this section for the fiscal year ending June 30, 1970, and for each fiscal year thereafter, the Commissioner shall pay to such State an amount equal to 50 per centum of the amount expended for the purposes set forth in subsection (b), except that, for the fiscal year ending June 30, 1970, and the five succeeding fiscal years, the Commission shall pay an amount equal to 90 per centum of the amount used in areas described in subsection (d). No State shall receive payments under this section for any fiscal year in excess of its allotment under subsection (a) for such fiscal year.

[(d) At least one-third of the Federal funds made available under this section shall be used in economically depressed areas or areas with high rates of unemployment for programs designed to assist consumers and to help improve home environments and the quality of family life.

[PART G—COOPERATIVE VOCATIONAL EDUCATION PROGRAMS

[FINDINGS AND PURPOSE

[SEC. 171. The Congress finds that cooperative work-study programs offer many advantages in preparing young people for employment. Through such programs, a meaningful work experience is combined with formal education enabling students to acquire knowledge, skills, and appropriate attitudes. Such programs remove the artificial barriers which separate work and education and, by involving educators with employers, create interaction whereby the needs and problems of both are made known. Such interaction makes it possible for occupational curricula to be revised to reflect current needs in various occupations. It is the purpose of this part to assist the State to expand cooperative work-study programs by providing financial assistance for personnel to coordinate such programs, and to provide instruction related to the work experience; to reimburse employers when necessary for certain added costs incurred in providing on-the-job training through work experience; and to pay costs for certain services, such as transportation of students or other unusual costs that the individual students may not reasonably be expected to assume while pursuing a cooperative work-study program.

[AUTHORIZATIONS AND ALLOTMENTS

[SEC. 172. (a) There is authorized to be appropriated for the fiscal year ending June 30, 1969, $20,000,000, for the fiscal year ending June 30, 1970, $35,000,000, for the fiscal year ending June 30, 1971,

$50,000,000, and for each of the succeeding fiscal years ending prior to July 1, 1975, $75,000,000, for making grants to the States for programs of vocational education designed to prepare students for employment through cooperative work-study arrangements.

[(b)(1) From the sums appropriated pursuant to this section for each fiscal year, the Commissioner shall reserve such amount, but not in excess of 3 percentum thereof, as he may determine, and shall apportion such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this section. From the remainder of such sums the Commissioner shall allocate $200,000 to each State, and he shall in addition allocate to each State an amount which bears the same ratio to any residue of such remainder as the population aged fifteen to nineteen, both inclusive, in the State bears to the population of such ages in all States. For purposes of the preceding sentence, the term "State" does not include the areas referred to in the first sentence of this paragraph.

[(2) The amount of any State's allotment under this section for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved under section 173 shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which as determined by the Commissioner are able to use without delay any accounts so reallotted for the purposes set forth in section 173. Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

[(3) The population of particular age groups of a State or of all the States shall be determined by the Commissioner on the basis of the latest available estimates furnished by the Department of Commerce.

[PLAN REQUIREMENT

[SEC. 173. (a) A State, in order to participate in the program authorized by this part, shall submit, as part of its State plan, to the Commissioner, through its State board, a plan which shall set forth policies and procedures to be used by the State board in establishing cooperative work-study programs through local educational agencies with participation of public and private employers. Such policies and procedures must give assurance that—

[(1) funds will be used only for development and operating cooperative work-study programs as defined in section 175 which provide training opportunities that may not otherwise be available and which are designed to serve persons who can benefit from such programs;

[(2) necessary procedures are established for cooperation with employment agencies, labor groups, employers, and other community agencies in identifying suitable jobs for persons who enroll in cooperative work-study programs;

[(3) provision is made for reimbursement of added costs to employers for on-the-job training of students enrolled in cooperative programs, provided such on-the-job training is related to existing carrier opportunities susceptible of promotion and advancement and does not displace other workers who perform such work;

[(4) ancillary services and activities to assure quality in cooperative work-study programs are provided for, such as preservice and inservice training for teacher coordinates, supervision, curriculum materials, and evaluation;

[(5) priority for funding cooperative work-study programs through local educational agencies, is given to areas that have high rates of school dropouts and youth unemployment;

[(6) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served, whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students;

[(7) Federal funds made available under this part will not be commingled with State or local funds; and

[(8) Such accounting, evaluation, and follow-up procedures as the Commissioner deems necessary will be provided.

[(b) The Commissioner shall approve such part of its State plan which fulfills the conditions specified above, and the provisions of part B (relating to the disapproval of State plans) shall apply to this section.

[USE OF FUNDS

[SEC. 174. Funds allocated under this part for cooperative work-study programs shall be available for paying all or part of the State's expenditures under its State plan for this part for any fiscal year, but not in excess of its allotment under section 172.

[DEFINITION

[SEC. 175. For purposes of this part, the term "cooperative work-study program" means a program of vocational education for persons who, through a cooperative arrangement between the school and employers, receive instruction, including required academic courses and related vocational instruction by alternation of study in school with a job in any occupational field, but these two experiences must be planned and supervised by the school and employers so that each contributes to the student's education and to his employability. Work periods and school attendance may be on alternate half-days, full-days, weeks, or other periods of time in fulfilling the cooperative work-study program.

[PART H—WORK-STUDY PROGRAMS FOR VOCATIONAL EDUCATION STUDENTS

[AUTHORIZATION OF APPROPRIATIONS AND ALLOTMENT

[SEC. 181. (a) There are hereby authorized to be appropriated $35,000,000 for each of the fiscal years ending June 30, 1969 and June 30, 1970, $45,000,000 for the fiscal year ending June 30, 1972, and for each of the succeeding fiscal years ending prior to July 1, 1975, the purposes of this part.

[(b)(1) From the sums appropriated pursuant to this section for each fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to such sums for such year as the population aged fifteen to twenty, inclusive, of the State, in the preceding fiscal year bears to the population aged fifteen to twenty, inclusive, of all the States in such preceding year.

[(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved pursuant to section 182 shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under paragraph (1) for such year, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum the Commissioner estimates such States needs and will be able to use for such year and the total of such reductions shall be similarly reallotted among the States not suffering such a reduction. Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

[PLAN REQUIREMENTS

[SEC. 182. (a) To be eligible to participate in the program authorized by this part, a State shall submit as a part of its State plan through its State board to the Commissioner a plan, in such detail as the Commissioner determines necessary, which—

[(1) designates the State board as the sole agency for administration of the plan, or for supervision of the administration thereof by local educational agencies;

[(2) sets forth the policies and procedures to be followed by the State in approving work-study programs, under which policies and procedures funds paid to the State from its allotment under section 181 will be expended solely for the payment of compensation of students employed pursuant to work-study programs which meet the requirements of subsection (b), except that not to exceed 1 per centum of any such allotment, or $10,000, whichever is the greater, may be used to pay the cost of developing the plan required by this section and the cost of administering such plan after its approval under this section;

[(3) sets forth principles for determining the priority to be accorded applications from local educational agencies for work-study programs, which principles shall give preference to applications submitted by local educational agencies serving communities having substantial numbers of youths who have dropped out of school or who are unemployed, and provides for undertaking such programs, insofar as financial resources available therefor make possible in the order determined by the application of such principles;

[(4) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this part; and

[(5) provides for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this part, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

[(b) For the purposes of this section, a work-study program shall—

[(1) be administered by the local educational agency and made reasonably available (to the extent of available funds) to all youths in the area served by such agency who are able to meet the requirements of paragraph (2);

[(2) provide that employment under such work-study program shall be furnished only to a student who (A) has been accepted for enrollment as a full-time student in a vocational education program which meets the standards prescribed by the State board and the local educational agency for vocational education programs assisted under this title, or in the case of a student already enrolled in such a program, is in good standing and in full-time attendance, (B) is in need of the earnings from such employment to commence or continue his vocational education program, and (C) is at least fifteen years of age and less than twenty-one years of age at the commencement of his employment, and is capable, in the opinion of the appropriate school authorities, of maintaining good standing in his vocational education program while employed under the work-study program;

[(3) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session, or for compensation which exceeds $45 in any month or $350 in any academic year or its equivalent, unless the student is attending a school which is not within reasonable commuting distance from his home, in which case his compensation may not exceed $60 in any month or $500 in any academic year or its equivalent;

[(4) provide that employment under such work-study program shall be for the local educational agency or for some other public agency or institution; and

[(5) provide that, in each fiscal year during which such program remains in effect, such agency shall expend (from sources other than payments from Federal funds under this section) for the employment of its students (whether or not in employment eligible for assistance under this section) an amount that is not less than its average annual expenditure for work-study programs of a similar character during the three fiscal years preceding the fiscal year in which its work-study program under this section is approved.

[(c) The provisions of part B shall be applicable to the Commissioner's actions with respect to plans submitted under this section.

[PAYMENTS

[SEC. 183. (a) From a State's allotment under this section for the fiscal year ending June 30, 1969, and for any succeeding fiscal year, the Commissioner shall pay to such State an amount equal to 80 per centum of (1) the amount expended for compensation of students employed pursuant to work-study programs under the part of the State's plan approved under section 182, plus (2) an amount, not to exceed 1 per centum of such allotment, or $10,000, whichever is the greater, expended for the development of such plan and for the administration of such plan after its approval by the Commissioner. No State shall receive payments under this section for any fiscal year in excess of its allotment under section 181 for such fiscal year.

[(b) Such payments (adjusted on account of overpayments or underpayments previously made) shall be made by the Commissioner in advance on the basis of such estimates, in such installments, and at such times, as may be reasonably required for expenditures by the States of the funds allotted under section 181.

[STATUS OF PARTICIPANTS

[SEC. 184. Students employed in work-study programs under this part shall not by reason of such employment be deemed employees of the United States, or their service Federal service, for any purpose.

[PART I—CURRICULUM DEVELOPMENT IN VOCATIONAL AND TECHNICAL EDUCATION

[AUTHORIZATION

[SEC. 189. (a) The Congress finds that curriculum development in vocational education is complicated by the diversity of occupational objectives; variations due to geography; differences in educational levels and types of programs; and by the wide range of occupations which includes, but is not limited to, agriculture, food processing and preparation, trades and industry, distribution and marketing, technical, public service, health services, business, and office occupations. It is therefore the purpose of this section to enable the Commissioner to provide appropriate assistance to State and local educational agencies in the development of curriculums for new and changing occupations, and to coordinate improvements in, and dissemination of, existing curriculum materials.

[(b) There are authorized to be appropriated $7,000,000 for the fiscal year ending June 30, 1969, and $10,000,000 for each of the succeeding fiscal years ending prior to July 1, 1975, for the purposes set forth in this section.

[(c)(1) Sums appropriated pursuant to subsection (b) shall be used by the Commissioner, after consultation with the appropriate State agencies and the National Council, to make grants to or contracts with colleges or universities, State boards, and other public or nonprofit private agencies and institutions, or contracts with public or private agencies, organizations, or institutions—

[(A) to promote the development and dissemination of vocational education curriculum materials for use in teaching occupational subjects, including curriculums for new and changing occupational fields;

[(B) to develop standards for curriculum development in all occupational fields;

[(C) to coordinate efforts of the States in the preparation of curriculum materials and prepare current lists of curriculum materials available in all occupational fields;

[(D) to survey curriculum materials produced by other agencies of Government, including the Department of Defense;

[(E) to evaluate vocational-technical education curriculum materials and their uses; and

[(F) to train personnel in curriculum development.

[(2) For purposes of this subsection "curriculum materials" means materials consisting of a series of courses to cover instruction in any occupational field in vocational education which are designed to prepare persons for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field.

[Part J—Bilingual Vocational Training

[STATEMENT OF FINDINGS

[Sec. 191. The Congress hereby finds that one of the most acute problems in the United States is that which involves millions of citizens, both children and adults, whose efforts to profit from vocational training is severely restricted by their limited English-speaking ability because they come from environments where the dominant language is other than English; that such persons are therefore unable to help to fill the critical need for more and better trained personnel in vital occupational categories; and that such persons are unable to make their maximum contribution to the Nation's economy and must, in fact, suffer the hardships of unemployment or underemployment. The Congress further finds that there is a critical shortage of instructors possessing both the job knowledge and skills and the dual language capabilities required for adequate vocational instruction of such language-handicapped persons, and a corresponding shortage of instructional materials and of instructional methods and techniques suitable for such instruction.

[GENERAL RESPONSIBILITIES OF THE COMMISSIONER

[Sec. 192. (a) The Commissioner and the Secretary of Labor together shall—

[(1) develop and disseminate accurate information on the status of bilingual vocational training in all parts of the United States;

[(2) evaluate the impact of such bilingual vocational training on the shortages of well-trained personnel, the unemployment or underemployment of persons with limited English-speaking ability, and the ability of such persons to contribute fully to the economy of the United States; and

[(3) report their findings annually to the President and the Congress.

[(b) The Commissioner shall consult with the Secretary of Labor with respect to the administration of this part. Regulations and guidelines promulgated by the Commissioner to carry out this part shall be consistent with those promulgated by the Secretary of Labor pursuant to section 301(b) of the Comprehensive Employment and Training Act of 1973 and shall be approved by the Secretary of Labor before issuance.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 193. There are authorized to be appropriated $17,500,000 for the fiscal year ending June 30, 1975, to carry out the provisions of this part.

[AUTHORIZATION OF GRANTS

[SEC. 194. (a) From the sums made available for grants under the part pursuant to section 193, the Commissioner is authorized to make grants to and enter into contracts with appropriate State agencies, local educational agencies, postsecondary educational institutions, private nonprofit vocational training institutions, and to other nonprofit organizations especially created to serve a group whose language as normally used is other than English in supplying training in recognized occupations and new and emerging occupations, and to enter into contracts with private for-profit agencies and organizations, to assist them in conducting bilingual vocational training programs for persons of all ages in all communities of the United States which are designed to insure that vocational training programs are available to all individuals who desire and need such bilingual vocational training.

[(b) The Secretary shall pay to each applicant which has an application approved under this part an amount equal to the total sums expended by the applicant for the purposes set forth in that application.

[USE OF FEDERAL FUNDS

[SEC. 195. Grants and contracts under this part may be used, in accordance with applications approved under section 197, for—

[(1) bilingual vocational training programs for persons who have completed or left elementary or secondary school and who are available for training by a postsecondary educational institution;

[(2) bilingual vocational training programs for persons who have already entered the labor market and who desire or need training or retraining to achieve year-round employment, adjust to changing manpower needs, expand their range of skills, or advance in employment; and

[(3) training allowances for participants in bilingual vocational training programs subject to the same conditions and limitations as are set forth in section 111 of the Comprehensive Employment and Training Act of 1973.

[APPLICATIONS

[SEC. 196. (a) A grant or contract for assistance under this part may be made only upon application to the Commissioner at such time, in such manner, and containing or accompanied by such information as the Commissioner deems necessary. Each such application shall—

[(1) provide that the activities and services for which assistance under this part is sought will be administered by or under the supervision of the applicant;

[(2) set forth a program for carrying out the purposes described in section 195; and

[(3) set forth a program of such size, scope, and design as will make a substantial contribution toward carrying out the purposes of this part.

[(b) No grant or contract may be made under this part directly to a local educational agency or a postsecondary educational institution or a private vocational training institution or any other eligible agency or organization unless that agency, institution, or organization has submitted the application to the State board established under Part B of this title, or in the case of a State that does not have such a board, the similar Sate agency, for comment and includes the comment of that board or agency with the application.

[APPLICATION APPROVAL BY THE COMMISSIONER

[SEC. 197. (a) The Commissioner may approve an application for assistance under this part only if—

[(1) the application meets the requirements set forth in subsection (a) of the previous section;

[(2) in the case of an application submitted for assistance under this part to an agency, institution, or organization other than the State board established under part B of this title, the requirement of subsection (b) of the previous section is met; and

[(3) in the case of an application submitted for assistance under this part, the Commissioner determines that the program is consistent with criteria established by him, where feasible, after consultation with the State board established under part B of this title, for achieving equitable distribution of assistance under this part within that State.

[(b) An amendment to an application shall, except as the Secretary may otherwise provide, be subject to approval in the same manner as the original application.

[VOCATIONAL EDUCATION AMENDMENTS OF 1968

[AN ACT To amend the Vocational Education Act of 1963, and for other purposes.

[*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

[SHORT TITLE

[SECTION 1. This Act may be cited as the "Vocational Education Amendments of 1968".

[TITLE I—AMENDMENTS TO THE VOCATIONAL EDUCATION ACT OF 1963

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[EFFECTIVE DATE

[SEC. 102. (a) Except as provided in subsection (b), the amendments made by section 101 shall become effective upon enactment.

[(b) The amendments made by this Act to the Vocational Education Act of 1963 shall not, during the fiscal year ending June 30, 1969, apply with respect to programs which are continuations of programs (including programs under part H) carried on under any State's plan during the preceding fiscal year.]

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TITLE I—VOCATIONAL EDUCATION

PART A—STATE VOCATIONAL EDUCATION PROGRAMS

DECLARATION OF PURPOSE

SEC. 101. It is the purpose of this part to assist States in improving planning in the use of all resources available to them for vocational education and manpower training by involving a wide range of agencies and individuals concerned with education and training within the State in the development of a vocational education plan. It is also the purpose of this part to authorize Federal grants to States to assist them—

(1) to extend, improve, and, where necessary, maintain existing programs of vocational education,

(2) to develop new programs of vocational education,

(3) to develop and carry out programs of vocational education within each State so as to overcome sex discrimination and sex stereotyping in all occupations (including the occupation of homemaking), and thereby furnish equal educational opportunities in vocational education to persons of both sexes, and

(4) to provide part-time employment for youths who need the earnings from such employment to continue their vocational training on a full-time basis,

so that persons of all ages in all communities of the State, those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market, but need to upgrade their skill or learn new ones, those with special education handicaps, and those in postsecondary schools, will have ready access to vocational training or retraining which is of high quality, which is realistic in the light of actual or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training.

AUTHORIZATION OF APPROPRIATIONS; USES OF FUNDS

Sec. 102. (a) There are authorized to be appropriated $650,000,000 for fiscal year 1978, $750,000,000 for fiscal year 1979, $850,000,000 for fiscal year 1980, $950,000,000 for fiscal year 1981, and $1,000,000,000 for fiscal year 1982, for the purpose of carrying out this part.

(b) There are also authorized to be appropriated $70,000,000 for fiscal year 1978, $80,000,000 for fiscal year 1979, $90,000,000 for fiscal year 1980, and $100,000,000 for each of the fiscal years 1981 and 1982, for the purpose of carrying out section 110(c).

(c) There are also authorized to be appropriated $40,000,000 for the fiscal year 1978 and for each fiscal year ending prior to October 1, 1982, for the purpose of carrying out section 110(f).

(d) There are further authorized to be appropriated for fiscal year 1978 and for each of the four succeeding fiscal years, such sums as may be necessary to pay the Federal share of the cost of the administration of State annual program plans.

(e) Grants to States under this Act may be used for any programs and projects for vocational education described in the general application, including the construction of area vocational education school facilities.

(f)(1) There are further authorized to be appropriated $5,100,000 for fiscal year 1978 and for each of the four succeeding fiscal years to establish or designate within the State board or any appropriate agency of the State, an office for women. Each such office shall assist the State board in fulfilling the purposes of this Act by—

(A) taking such action as may be necessary to create awareness of programs and activities in vocational education that are designed to reduce sex stereotyping in all vocational education programs;

(B) gathering, analyzing, and disseminating data on the status of men and women students and employees in the vocational education programs of that State;

(C) developing and supporting actions to correct any problems brought to the attention of that office through activities carried out under clause 2 of this sentence;

(D) reviewing the distribution of grants by the State board to assure that the interests and needs of women are addressed in the projects assisted under this Act;

(E) reviewing all vocational education programs in the State for sex bias;

(F) monitoring the implementation of laws prohibiting sex discrimination in all hiring, firing, and promotion procedures within the State relating to vocational education;

(G) reviewing and submitting recommendations with respect to the overcoming of sex stereotyping and sex bias in vocational education programs for the annual State vocational education plan;

(H) assisting local educational agencies and other interested parties in the State in improving vocational education opportunities for women; and

(1) developing an annual report on the status of women in vocational education programs in the State and furnish the report to the State Commission of Vocational Education, the State board, the State and National Advisory Councils on Vocational Education, the State Commission on the Status of Women, and the Commissioner.

Each report prepared and submitted under clause 1 of this subsection shall be made available to all interested persons. Each such report shall contain the self-evaluations required by regulations implementing title IX of the Education Amendments of 1972 of institutions receiving Federal assistance.

(2) From the funds appropriated to carry out this subsection each State shall receive $100,000 in each fiscal year in which an office for women has been established in accordance with this subsection.

(3) For the purpose of this subsection, the term 'State' means the several States and the District of Columbia.".

ALLOTMENTS AMONG STATES

Sec. 103. (a)(1) From the sums appropriated pursuant to section 102(a), the Commissioner shall reserve and transfer to the Secretary of Labor (upon terms and conditions as the Commissioner and the Secretary of Labor agree upon) an amount, not to exceed $5,000,000 in any fiscal year, for the conduct of national, regional, State, and local studies and projections of manpower needs, upon the request of Federal, State, and local education officials and of advisory councils having responsibilities under this title.

(2) From the remainder of the sums appropriated pursuant to section 102(a), and from all of the sums appropriated pursuant to section 102(b) and section 102(c), the Commissioner shall allot to each State for each fiscal year—

(A) an amount which bears the same ratio to 50 per centum of the sums being allotted as the product of the population aged fifteen to nineteen, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;

(B) an amount which bears the same ratio to 20 per centum of the sums being allotted as the product of the population aged twenty to twenty-four, inclusive, in the State in the preceding fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;

(C) an amount which bears the same ratio to 15 per centum of the sums being allotted as the product of the population aged twenty-five to sixty-five, inclusive, in the State in the preceding fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; and

(D) an amount which bears the same ratio to 15 per centum of the sums being allotted as the amounts allotted to the State under

subparagraphs (A), (B), and (C) for such year bears to the sum of the amounts allotted to all the States under paragraphs (A), (B), and (C) for such year.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the program for which such amount has been allotted shall be available, from time to time, for reallotment, on such dates during such year as the Commissioner shall fix, on the basis of criteria established by regulation, among other States, except that funds appropritaed under section 102(b) may only be reallotted for the use set forth in section 110(c). Any amount reallotted to a State under this subsection for any fiscal year shall remain available for obligation during the next succeeding fiscal year and shall be deemed to be part of its allotment for the year in which it is obligated.

(c)(1) The allotment ratio for any State shall be 1.00 less the product of—

(A) 0.50; and

(B) the quotient obtained by dividing the per capita income for the State by the per capita income for al h Sasltetet ?
for the State by the per capita income for all the States (exclusive of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), except that (i) the allotment ratio in no case shall be more than 0.60 or less than 0.40, and (ii) the allotment ratio for Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall be 0.60.

(2) The allotment ratios shall be promulgated by the Commissioner for each fiscal year between October 1 and December 31 of the fiscal year preceding the fiscal year for which the determination is made. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the three most recent consecutive fiscal years for which satisfactory data are available.

(3) The term "per capita income" means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

(4) For the purposes of this section, population shall be determined by the Commissioner on the basis of the latest estimates available to him.

STATE PLANNING COMMISSION FOR VOCATIONAL EDUCATION

SEC. 104. (a) Any State desiring to participate in the programs authorized by this Act shall, in accordance with State law, designate or establish a State planning commission for vocational education which shall be responsible for the development and preparation of comprehensive statewide long-range plans and annual program plans for vocational education in that State. If the membership of a State board meets the requirements for membership of the State planning commission set forth in subsection (b) of this section, the State board may serve as the State planning commission, and if any such State board serves as the State planning commission of a State, that State board shall develop procedures to insure that secondary vocational education *programs are coordinated in secondary schools of local educational agencies.*

(b)(1) The membership of the State planning commission designated or established pursuant to subsection (a) shall include—

(A) a representative of the State agency having responsibility for secondary vocational education programs, designated by that agency;

(B) a representative of the State agency, if such separate agency exists, having responsibility for postsecondary vocational education programs, designated by that agency;

(C) a representative of the State agency, if such separate agency exists, having responsibility for community and junior colleges, designated by that agency;

(D) a representative of the State agency, if such separate agency exists, having responsibility for institutions of higher education in the State, designated by that agency;

(E) a representative of a local school board or committee;

(F) a representative of vocational education teachers;

(G) a representative of local school administrators;

(H) a representative of the State Manpower Services Council appointed pursuant to section 107(a)(2)(A)(i) of the Comprehensive Employment and Training Act of 1973, designated by that council; and

(I) one representative each of business, industry, labor, agriculture, and the general public.

(2) The chairman shall be selected by the members of the State planning commission from among the members.

(c) The State planning commission shall—

(1) develop and prepare the comprehensive statewide long-range plan for that State in accordance with section 106; and

(2) develop and prepare the annual program plan in accordance with section 108.

(d)(1) Each State planning commission is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable the commission to carry out its functions under this Act.

(2) Of the amounts appropriated pursuant to section 102(a) and allotted to each State under section 103(a) 1¼ per centum, but not less than $150,000 nor more than $500,000, for each fiscal year shall be available only to pay the cost of the planning activities of the State planning commission.

(e) If a representative of each of State agencies referred to in subsection (b)(1) of this section certifies to the Commissioner that each such agency has had an opportunity to be a direct and active participant in the development, preparation, implementation, and evaluation of the comprehensive statewide long-range plan and annual program plans for vocational education in that State, and the Commissioner determines that such certification substantially fulfills the purposes of this section, the Commissioner shall waive the requirements of subsection (a) of this section. Upon approval of such certification, the State board shall carry out the functions of the State planning commission under this Act.

STATE ADVISORY COUNCILS ON VOCATIONAL EDUCATION

Sec. 105. (a) Any State which desires to participate in programs under this Act for any fiscal year shall establish a State advisory council, which shall be appointed by the Governor or, in the case of States in which the members of the State board of education are elected (including election by the State legislature), by such Board. Each State advisory council shall include as members one or more individuals who—

(1) are representative of, and familiar with, the vocational needs and problems of management in the State;

(2) are representative of, and familiar with, the vocational needs and problems of labor in the State;

(3) are representative of, and familiar with, the vocational needs and problems of agriculture in the State;

(4) represent State industrial and economic development agencies;

(5) are representatives of community and junior colleges;

(6) are representative of other institutions of higher education, area vocational schools, technical institutes, and postsecondary agencies or institutions which provide programs of vocational or technical education and training;

(7) have special knowledge, experience, or qualifications with respect to vocational education but are not involved in the administration of State or local vocational education programs;

(8) are representatives of, and familiar with, public programs of vocational education in comprehensive secondary schools;

(9) are represenative of, and familiar with, private programs of vocational education;

(10) are representative of, and familiar with, vocational guidance and counseling services;

(11) are representative of State correctional institutions;

(12) are representative of local education agencies;

(13) are representative of a State or local public manpower agency;

(14) represent school systems with large concentrations of persons who have special academic, social, economic, and cultural needs and of persons who have limited English-speaking ability;

(15) are familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education.

(16) have special knowledge, experience, or qualifications with respect to the special educational needs of physically or mentally handicapped persons;

(17) are representative of the general public, including a person or persons representative of and knowledgeable about the poor and disadvantaged; and

(18) are representative of vocational education students who are not qualified for membership under any of the preceding clauses of this paragraph.

Members of the State advisory council may not represent more than one of the above-specified categories. In appointing the State advisory council the Governor or the State board of education, as the case may be, shall insure that there is appropriate representation of both sexes, racial and ethnic minorities, and the various geographic regions of the State.

(b) Not less than ninety days prior to the beginning of any fiscal year in which a State desires to receive a grant under this Act, the State shall certify the establishment of, and membership of, its State advisory council to the Commissioner.

(c) Each State advisory council shall meet within thirty days after certification has been accepted by the Commissioner and shall select from among its membership a chairman. The time, place, and manner of meeting shall be as provided by the rules of the State advisory council, except that such rules must provide for not less than one public meeting each year at which the public is given an opportunity to express views concerning the vocational education program of the State.

(d)(1) Each State advisory council shall advise the State planning commission in the development of the comprehensive statewide long-range plan and the annual program plan for vocational education and shall advise the State board on policy matters arising out of the administration of programs under such plans.

(2) The State advisory council shall also evaluate vocational education programs, services, and activities assisted under this Act, and publish and distribute the results thereof.

(3) The State advisory council shall prepare and submit to the Commissioner and to the National Advisory Council created under section 192, through the State board, an annual evaluation report, accompanied by such additional comments of the State board as the State board deems appropriate, which (A) evaluates the effectiveness of vocational education programs, services, and activities as may be warranted by the evaluations, and (B) recommends such changes in such programs, services, and activities as may be warranted by the evaluations.

(e) Each State advisory council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this title and to contract for such services as may be necessary to carry out their evaluation functions.

(f)(1) From the sums appropriated pursuant to this section for any fiscal year, the Commissioner is authorized (in accordance with regulations) to pay to each State advisory council an amount equal to the reasonable amounts expended by it in carrying out its functions under this Act in such fiscal year, except that the amount available for such purpose for any State for any fiscal year shall not exceed 1 per centum of the amount allotted to such State under section 103, but such amount shall not exceed $150,000 and shall not be less than $50,000.

(2) There are authorized to be appropriated for fiscal year 1978 and each of the four succeeding fiscal years, $8,000,000 for the purpose of carrying out this section.

COMPREHENSIVE STATEWIDE LONG-RANGE PLANS

SEC. 106. *(a) Each State planning commission shall develop and submit to the Commissioner, through the State board, a comprehensive statewide long-range plan for vocational education within the State, covering a period of not less than four years nor more than six years. Such plan shall set forth the overall manpower and vocational education goals which the State intends to achieve during such period, together with specific descriptions of the planned use of Federal, State, and local vocational education funds for each such year, in order to achieve the stated goals.*

(b) In developing such a comprehensive statewide long-range plan, the State planning commission shall—

(1) assess the needs, both actual and projected, of the State and where relevant, the region and the Nation, for trained manpower, in various occupations and at various levels, together with the actual and projected enrollments in vocational education programs and other training programs within the State;

(2) assess the existing capabilities and facilities for provision of vocational education, together with existing and projected needs for such education in all parts of the State; including an assessment of the special needs of handicapped persons, persons who have academic socioeconomic or other handicaps that prevent them from succeeding in regular vocational education programs, and persons who have limited English-speaking ability, and the resources necessary to meet such needs;

(3) give thorough consideration to the most effective means of utilizing all existing institutions within the State capable of carrying out or supervising the kinds of programs assisted under this Act, including secondary schools, public and private community and junior colleges, area vocational schools, proprietary schools, technical institutes, manpower skill centers, institutions of higher education, and branches thereof;

(4) develop general procedures for the delegation of the responsibilities for implementation of the vocational education programs under this Act by the State board to the State agencies described in clauses (A), (B), (C), and (D) of subsection (b) of section 104;

(5) develop procedures to assure continuous planning and evaluation, including the regular collection of data which would be available to the State planning commission, the State board, State administering agencies, the State advisory council on vocational education, and other interested agencies, institutions, and individuals; and

(6) develop criteria for coordinating manpower training programs conducted by prime sponsors established under the Comprehensive Employment and TrainingAct of 1973 with vocational education programs assisted under this Act.

GENERAL APPLICATION

SEC. 107. *(a) Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this Act shall, through its*

State board, submit to, and maintain on file with, the Commissioner a general application providing assurances—

(1)(A) that the State will provide for such methods of administration as are necessary for the proper and efficient administration of the Act, including any delegation by the State board of its responsibilities, in whole or in part, to any agency or official consistent with the comprehensive statewide long-range plan approved by the State board;

(B) that the State will establish or designate an office for women in accordance with the provisions of section 102(f);

(2) that the State will make provision for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under the Act;

(3) that Federal funds made available under this Act will be so used as to supplement, and to the extent practical, increase the amount of State and local funds that would, in the absence of Federal funds, be made available for vocational education programs authorized by this Act, and in no case supplant such State or local funds;

(4) that the State will make provision for making such reports as the Commissioner may reasonably require to carry out his functions;

(5) that funds will be distributed to eligible recipients on the basis of annual applications which—

(A) have been developed in consultation with representatives of the educational and training resources available to the area to be served by the applicant,

(B) describe the vocational education needs of potential students in the area or community served by the applicant and indicate how, and to what extent, the program proposed in the application will meet such needs,

(C) describe how the activities proposed in the application relate to manpower programs conducted in the area by a prime sponsor established under the Comprehensive Employment and Training Act of 1973, if any, to assure a coordinated approach to meeting the vocational education and training needs of the area or community, and

(D) describe the relationship between vocational education programs proposed to be conducted with funds under this Act and other programs in the area or community which are supported by State and local funds;

(6) that priority in approval of applications from eligible recipients shall be given to applicants which—

(A) propose programs for persons with special needs for vocational education, including persons with academic, socioeconomic, mental, and physical handicaps which require additional services to enable them to succeed in regular vocational education programs, and persons with limited English-speaking ability,

(B) are located in economically depressed areas and areas with high rates of unemployment, and are unable to provide the resources necessary to meet the vocational education needs of the areas without Federal assistance, and

(C) propose programs which are new to the area to be served and which are designed to meet new and emerging manpower needs and job opportunities in the area and, where relevant, in the State and the Nation;

(7) that funds will not be distributed on the basis of per capita enrollment or through matching of local expenditures on a percentage basis, and that no eligible recipient will be denied Federal funds for the establishment of new vocational education programs solely because of its inability to pay the non-Federal share of the cost of such programs;

(8) that any eligible recipient dissatisfied with final action with respect to any application for funds under this title shall be given reasonable notice and opportunity for a hearing; and

(9) that funds received under this Act will not be used for any program of vocational education (except personnel training progarms under subpart 2 of part B, renovation programs under part E, and homemaking programs under part F) which cannot be demonstrated to prepare students for employment, be necessary to prepare individuals for successful completion of such a program, or be of significant assistance to individuals enrolled in making an informed and meaningful occupational choice as an integral part of a program of orientation and preparation.

(b) The Commissioner shall approve any general application of a State board, or any modification thereof, which meets the requirements of subsection (a). The Commissioner shall not finally disapprove a general application, or modification thereof, except after reasonable notice and an opportunity for a hearing to the State board.

ANNUAL PROGRAM PLAN

Sec. 108. (a) If a State desires to receive the amount for which it is eligible for any fiscal year, the State planning commission shall prepare and submit to the Commissioner, through the State board, an annual program plan for expenditure of funds received under this Act, at such time, in such detail, and containing such information as the Commissioner deems necessary. The Commissioner shall approve a plan submitted by a State if he determines that the plan submitted for that year—

(1) was prepared in consultation with the State advisory council for that State, which council has been actively involved in the development of the annual program plan;

(2) reflects coordination of manpower activities within the State, through consultation with the State Manpower Services Council created under section 107 of the Comprehensive Employment and Training Act of 1973;

(3) reflects the participation of local advisory councils representing business, labor, and community interests;

(4) sets forth in detail the proposed distribution of Federal funds received under this Act for that fiscal year among eligible recipients, together with an analysis of the relationship of such expenditures to the comprehensive statewide long-range plan submitted pursuant to section 106 and the manner in which such expenditures comply with section 107(a)(6) relating to priority and the approval of applications;

(5) contains a report concerning the distribution among eligible recipients of Federal funds received under this Act for the preceding fiscal year, together with an analysis of the extent to which such distribution conformed to the pattern proposed in the annual program plan for that fiscal year;

(6) updates the comprehensive statewide long-range plan through amendment or revision of its actual and projected manpower needs and planned vocational education programs to meet such needs;

(7) has been submitted only after the State board (A) has given reasonable notice and afforded a reasonable opportunity for a public hearing on the annual program plan, and (B) has implemented policies and procedures to insure that copies of the State's comprehensive statewide long-range plan and annual program plan, and all statements of general policies, rules, regulations, and procedures issued by the State board and by State agencies and officials to which any responsibility is delegated will be made reasonably available to the public; and

(8) sets forth the conduct of a thorough study of the policies, procedures, materials and administrative procedures that the State will follow in vocational education programs so as to permit equal access to such programs by both men and women, including (A) a detailed description of the policies and procedures to be followed, (B) actions that will be taken to overcome sexism in all vocational education programs, (C) incentives which will be provided to local educational agencies to develop model programs to reduce sex stereotyping in all occupations and provides for making the results of study required by this paragraph available to the public.

(b)(1)(A) The Commissioner shall approve a State's annual program plan only after he has made specific findings in writing, as to the compliance of such plan with the provisions of the Act and he is satisfied that adequate procedures are set forth to insure that the assurances submitted pursuant to subsection (a) of section 107 and the provisions of the annual program plan submitted pursuant to this section are being carried out and that the annual program plan shows progress in achieving the goals set forth in the comprehensive statewide long-range plan.

(B) In carrying out the provisions of this subsection the Commissioner shall submit each State's annual program plan to the Director of Bilingual Education for review and evaluation of that portion of each State's annual program plan which relates to vocational education for persons with limited English-speaking ability.

(C)(1) The Commissioner shall not approve a State plan submitted under this section until he has received assurances that the office for women established by the State pursuant to section 122(d) has reviewed the plan, and that the State board has given due consideration to the needs of female students and the State board provides assurances that all vocational education programs described in the plan are designed to attract individuals of both sexes and that no sex stereotyping exists in such programs.

(2)(B) The Commissioner shall not finally disapprove any plan submitted under this section, or any modification thereof, without first offering the State board submitting the plan reasonable notice and opportunity for a hearing.

(B) The Commissioner shall not disapprove any plan submitted under this section solely on the basis of the distribution of State and local expenditures for vocational education.

SUBMISSION OF PLANS; WITHHOLDING AND JUDICIAL REVIEW

Sec. 109. (a)(1) No comprehensive statewide long-range plan prepared under section 106, and no annual program plan prepared under section 108, may be submitted to the Commissioner until that plan has been approved by the State board concerned.

(2) Whenever the State board rejects in whole or in part the comprehensive statewide long-range plan or the annual program plan, the State board concerned shall return that plan to the State planning commission together with such suggestions for proposed changes as the State board deems appropriate.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State board submitting a State plan approved under section 108, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 108, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State board that no further payments will be made to the State under this Act (or, in his discretion, further payments to the State will be limited to programs under or portions of the State plan not affected by such failure) until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Commissioner shall make no further payments to such State under this Act (or shall limit payments to programs under or portions of the State plan not affected by such failure).

(c) A State board which is dissatisfied with a final action of the Commissioner under this section or subsection 108(b) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of

the Commissioner or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record the Commissioner may modify or set aside his action. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

(d)(1) If any eligible recipient is dissatisfied with the final action of the State board or other appropriate State administering agency with respect to approval of an application by such eligible recipient for a grant pursuant to this Act, such eligible recipient may, within sixty days after such final action or notice thereof, whichever is later, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the State board or other appropriate State administering agency. The State board or such other agency thereupon shall file in the court the record of the proceedings on which the State board or such other agency based its action, as provided in section 2112 of title 28, United States Code.

(2) The findings of fact by the State board or other appropriate administering agency, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the State board or other such agency to take further evidence, and the State board or such other agency may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings.

(3) The Court shall have jurisdiction to affirm the action of the State board or other appropriate administering agency or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

NATIONAL PRIORITY PROGRAMS

SEC. 110. (a) For any fiscal year, at least 10 per centum of each State's allotment under section 103(a)(2) shall be used to pay 60 per centum of the cost of vocational education for handicapped persons, who, because of their handicapping condition, cannot succeed in the regular vocational education program without special educational assistance or who require a modified vocational education program.

(b) For any fiscal year, at least 15 per centum of each State's allotment under section 103(a)(2) shall be used to pay 60 per centum of

the cost of vocational education for persons (other than handicapped persons) who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education program.

(c) For any fiscal year, at least 15 per centum of each State's allotment under section 103(a)(2) shall be used to pay 60 per centum of the cost of vocational education for persons who have completed or left high school and who are available for study in preparation for entering the labor market.

(d) At least 5 per centum of the allotment of funds appropriated under section 102(a) for any fiscal year to each State which the Commissioner finds has areas of high concentration of persons of limited English-speaking ability shall be used only to pay 60 per centum of the cost of vocational education for such persons.

(e)(1) For any fiscal year, funds appropriated under section 102(b) and allotted under section 103(a)(2) shall be allocated within the State to areas of high concentration of youth unemployment and school dropouts, and shall be used to pay the full cost of vocational education for persons (other than handicapped persons) who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education program.

(2) Such funds may be granted to eligible recipients only if (A) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students, and (B) effective policies and procedures have been adopted which assure that Federal funds made available under this subsection to accommodate students in nonprofit private schools will not be commingled with State or local funds.

(f)(1) For any fiscal year, funds appropriated under section 102(c) and allotted under section 103(a)(2) shall be allocated within the State to areas of high concentrations of individuals with limited English-speaking ability and shall be used to pay the full cost of vocational education for such individuals.

(2) Such funds may be granted to eligible recipients only if (A) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the program or project is involved is to meet, provision has been made for the participation of such students, and (B) effective policies and procedures have been adopted which assure that Federal funds made available under this subsection to accommodate students in nonprofit private schools will not be commingled with State or local funds.

PAYMENTS TO STATES

Sec. 111. (a)(1) The Commissioner shall pay from the amount available to each State for grants under this part to eligible recipients an amount equal to—

(A) 50 per centum of the cost of carrying out its annual program plan as approved pursuant to section 108, other than programs and activities for persons described in section 110;

(B) 60 per centum of the cost of vocational education programs for persons with special needs described in sections 110(a), 110(b), 110(c), and 110(d); and

(C) 100 per centum of the cost of vocational education programs for persons with special needs described in sections 110(e) and 110(f);

except that in the case of the Trust Territory of the Pacific Islands and American Samoa, such amount shall be equal to 100 per centum of such expenditures.

(2)(A) In addition, the Commissioner shall pay, from the amount available to each State for administration of State plans appropriated under section 102(d), an amount equal to the Federal share of the cost of administration of such plan.

(B) For the purpose of this paragraph, the Federal share for any fiscal year shall be 50 per centum, except that (1) for fiscal year 1978 it shall be 85 per centum and for fiscal year 1979 it shall be 70 per centum, and (2) whenever the Commissioner determines that, for the fiscal year preceding the fiscal year for which the determination is made, the ratio of State and local expenditures for vocational education in a State to the Federal expenditure for vocational education in that State for that year exceeds twice the ratio of the national average of State and local expenditures for vocational education to Federal expenditures for vocational education for that year, the Commissioner shall set the Federal share for that fiscal year for that State at in excess of the Federal share specified in clause (1), but not to exceed 100 per centum.

(C) For the purposes of this paragraph, the term "administration" means activities of a State necessary for the proper and efficient performance of its duties under this Act, including supervision and evaluation, but not including ancillary services such as teacher training, curriculum development, and research.

(b)(1) No payments shall be made in any fiscal year under this Act to any local educational agency or to any State unless the Commissioner finds, in the case of a local educational agency, that the combined fiscal effort of that agency and the State with respect to the provision of vocational education by that agency for the fiscal year preceding the fiscal year for which the determination was made was not less than such combined fiscal effort for that purpose for the second preceding fiscal year or, in the case of a State, that the fiscal effort of that State for vocational education in that State for the fiscal year preceding the fiscal year for which the determination was made was not less than such fiscal effort for vocational education for the second preceding fiscal year; except that the Commissioner may waive so much of the requirement of this subsection as he determines is equitable to reflect the reduction in available tax resources to the relevant local education agency or the State, or both. The Commissioner shall prepare and establish objective criteria of general applicability to carry out the waiver authority contained in this subsection.

(2) No payments shall be made in any fiscal year under this Act to any postsecondary educational institution unless the Commissioner finds that the amount spent by such institution from current funds for vocational education purposes for the fiscal year preceding the fiscal year for which the determination was made was not less than the

amount spent by such institution from current funds for the second preceding fiscal year; except that the Commissioner may waive so much of the requirement of this paragraph as he determines is equitable, in accordance with objective criteria of general applicability.

PART B—ANCILLARY SERVICES

Subpart 1—Vocational Guidance and Counseling

PURPOSE

SEC. 121. It is the purpose of this subpart to provide Federal assistance to States to enable them to develop and conduct vocational guidance and counseling programs and exploration activities for individuals of all ages, and to improve existing programs and activities, in order to improve the understanding of educational and occupational opportunities among individuals served and to facilitate vocational development throughout the lifetimes of such individuals.

AUTHORIZATION OF APPROPRIATIONS

SEC. 122. (a) There are authorized to be appropriated for the purpose of this subpart $25,000,000 for fiscal year 1978, $35,000,000 for fiscal year 1979, $45,000,000 for fiscal year 1980, $55,000,000 for fiscal year 1981, and $75,000,000 for fiscal year 1982.

(b)(1) From the sums appropriated pursuant to this subpart, the Commissioner shall reserve such amount, not to exceed 3 per centum thereof, as he may determine necessary and shall allot such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, according to their relative need for assistance under this subpart.

(2) From the remainder of the sums appropriated, the Commissioner shall allot to each State an amount which bears the same ratio to such sums for such year as the population of the State bears to the population of all the States.

USES OF FUNDS

SEC. 123. Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this subpart shall set forth, in its annual program plan approved pursuant to section 108, its proposed allotment of funds among eligible recipients for vocational development guidance and counseling programs and services, including—

(1) initiation, implementation, and improvement, of high quality vocational guidance and counseling programs and activities;

(2) vocational counseling for children, youth, and adults, leading to a greater understanding of educational and vocational options;

(3) provision of educational and job placement services including programs to prepare individuals for professional occupations requiring a baccalaureate or higher degree, including followup services;

(4) vocational guidance and counseling training designed to acquaint guidance counselors with (A) the changing work patterns of women, (B) ways of effectively overcoming occupational sex stereotyping, and (C) ways of assisting girls and women to select careers solely on their occupational needs and interests, and to develop improved career counseling materials which are free;

(5) vocational and educational counseling for youth offenders and adults in correctional institutions;

(6) vocational guidance and counseling for persons of limited English-speaking ability;

(7) establishment of vocational resource centers to meet the special needs of out-of-school individuals, including individuals seeking second careers, individuals entering the job market late in life, handicapped individuals, individuals from economically depressed communities or areas, and early retirees; and

(8) provide leadership for vocational guidance and exploration programs at the local level.

COOPERATIVE ARRANGEMENTS

Sec. 124. Applications for funds under this subpart from eligible recipients shall set forth cooperative arrangements with such community groups and agencies as the public employment service, vocational rehabilitation service, community mental health agencies, and other community resources concerned with vocational development guidance and counseling, in order to avoid unnecessary duplication in the provision of services in the community or area to be served.

Subpart—2 Vocational Education Personnel Training

PURPOSE

Sec. 126. It is the purpose of this subpart to provide training and retraining opportunities for persons serving or preparing to serve in vocational education programs, and to provide opportunities for potential leaders in vocational education to enroll in advanced study programs.

AUTHORIZATION OF APPROPRIATIONS

Sec. 127. There are authorized to be appropriated $55,000,000 for fiscal year 1978, $61,000,000 for fiscal year 1979, $67,000,000 for fiscal year 1980, $74,000,000 for fiscal year 1981, and $81,000,000 for fiscal year 1982, for the purpose of this subpart, other than section 129.

TRAINING PROGRAMS

Sec. 128. (a) The Commissioner is authorized to make grants to, or enter into contracts with, institutions of higher education, State educational agencies, State boards for vocational education, and, after consultation with the State board, to local educational agencies, for the purpose of carrying out programs or projects designed to improve the qualifications of persons serving or preparing to serve in vocational education programs, including teachers, administrators, supervisors, and vocational guidance and counseling personnel.

(b) Grants or contracts under this section may be used for programs or projects—

(1) to train or retrain teachers, and supervisors and trainers of teachers, in vocational education in new and emerging occupations;

(2) providing in-service training for vocational education teachers and other staff members, to improve the quality of instruction, supervision, and administration of vocational education programs and to overcome sex bias in vocational education programs;

(3) to train or retrain counseling and guidance personnel in the field of vocational guidance, including in-service training of such personnel designed to increase their awareness of vocational education opportunities at the secondary and postsecondary levels;

(4) providing for exchange of vocational education teachers and other personnel with skilled workers or supervisors in business, industry, and agriculture (including mutual arrangements for preserving employment and retirement status and other employment benefits during the period of exchange), and the development and operation of cooperative programs involving periods of teaching in schools providing vocational education and of experience in commercial, industrial, or other public or private employment related to the subject matter taught in such school;

(5) to repare journeymen in the skilled trades or occupations for teaching positions;

(6) to train and to provide in-service training for teachers and supervisors and trainers of teachers in vocational education to improve the quality of instruction, supervision, and administration of vocational education for persons with limited English-speaking ability and to train or retrain counseling and guidance personnel to meet the special needs of persons with limited English-speaking ability; and

(7) providing short-term or regular-session institutes designed to improve the qualifications of persons entering or reentering the field of vocational education in new and emerging occupational areas in which there is a need for such personnel.

(c) The Commissioner may include in the terms of any grant or contract under this section provisions authorizing the payment, to persons participating in the training programs supported under this section, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine, consistent with prevailing practices under comparable federally supported programs.

LEADERSHIP DEVELOPMENT AWARDS

Sec. 129. (a) In order to meet the needs of the States for qualified vocational education personnel, the Commissioner is authorized to make leadership development awards to personnel—

(1) who are eligible for admission as graduate students in an approved program of higher education;

(2) who have had at least two years of experience in vocational education, in industrial training, or in military technical training or, in the case of persons involved in vocational education research, experience in social science research which is applicable to vocational education with special consideration for personnel who have experience in vocational education for persons with special needs described in section 110;

(3) who are currently employed in vocational education programs or personnel with reasonable assurance of such employment, who have successfully completed at least a baccalaureate degree program; and

(4) who are recommended by employers or other qualified individuals as having leadership potential in the field of vocational education.

(b)(1) The Commissioner shall pay to personnel selected for leadership development awards such stipends (including such allowances for subsistence and other expenses for such person and his dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(2) The Commissioner shall also pay to the institution of higher education at which such person is pursuing a course of study such amount as the Commissioner may determine to be consistent with the prevailing practices under comparable federally supported programs, but any amount charged such person for tuition and nonrefundable fees and deposits shall be deducted from the amount payable to the institution of higher education under this subsection.

(c) The Commissioner shall approve the vocational education leadership development program of an institution which has demonstrated previous experience in graduate vocational education and has submitted an application only upon finding that—

(1) such institution offers a graduate program in vocational education at the doctoral level, with adequate supporting services and disciplines such as educational administration, guidance and counseling, research and curriculum development;

(2) such program is designed to substantially further the objective of improving vocational education through providing opportunties for flexible and individualized graduate training of vocational education teachers, supervisors, and administrators, and of university level vocational education teacher educators and researchers;

(3) such program is conducted by a school of graduate study in such instituiton; and

(4) such program is approved by the State board in the State in which such institution is located.

(d) Persons receiving leadership development awards under this section shall continue to receive such awards only during such periods as the Commissioner finds that they are maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field of vocational education in an institution of higher education, and are not engaging in gainful employment, other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.

(e) There are authorized to be appropriated for purposes of this section $5,120,000 for the fiscal year 1978 and for each fiscal year ending prior to October 1, 1982.

(f) From the amounts appropriated under subsection (e) the Commissioner shall make awards under subsection (b) to individuals to be selected by the various States, who shall be accepted for admission as graduate students in an approved program of higher education not less than nine months in advance of the starting date of such program. Such grants shall be made for study at not more than twenty institutions approved by the Commissioner, which offer a graduate program with a specialty in vocational education. Such grants shall be apportioned equitably among the States, taking into account such factors as the State's vocational education enrollments, and the incidence of youth unemployment and school dropouts in the State.

PART C—INNOVATION

Subpart 1—Exemplary Programs and Projects

PURPOSE

SEC. 131. It is the purpose of this subpart to authorize the Commissioner to make grants to, and enter into contracts with, States, local educational agencies, institutions of higher education, and other public and private agencies and organizations in order to develop, demonstrate, and disseminate the results of exemplary and innovative programs and projects designed to assist students in secondary school with special considerations for programs and projects designed to assist students who have special needs as described in section 110, youth who have left school, and students in postsecondary educational institutions in making occupational choices and acquiring necessary skills and understanding for career success.

AUTHORIZATION OF GRANTS AND CONTRACTS

SEC. 132. (a) There are authorized to be appropriated $25,000,000 for fiscal year 1978, $30,000,000 for fiscal year 1979, $40,000,000 for fiscal year 1980, $50,000,000 for fiscal year 1981, and $75,000,000 for fiscal year 1982, to enable the Commissioner to carry out the provisions of this subpart.

(b)(1) From the sums appropriated pursuant to this subpart, the Commissioner shall reserve such amount, not to exceed 3 per centum thereof, as he may determine necessary and shall allot such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, according to their relative need for assistance under this subpart.

(2) From the remainder, the Commissioner shall reserve 50 per centum which he shall use to make grants to, or enter into contracts with, States, local educational agencies, institutions of higher education, and other public and private agencies and organizations for programs and projects meeting national needs and priorities, pursuant to section 133(a).

(3) From sums not otherwise reserved, the Commissioner shall first allot $200,000 to each State (except for those for which sums are reserved in paragraph (1)), and he shall then allot to each such State an amount which bears the same ratio to any residue of such remainder as the population aged fifteen to nineteen, both inclusive, in the State bears to the population of such ages in all such States. Such sums shall be used by the State for grants to, or contracts with, local educational agencies, institutions of higher education, and other public and private agencies and organizations for programs and projects set forth in its annual program plan approved under section 108 which meet the requirements of section 133(b).

USES OF FUNDS; PRIORITY

SEC. 133.(a) Grants or contracts made by the Commissioner may be used to pay all or part of the cost of programs and projects directed toward meeting one or more critical national needs or high national priorities for vocational education, which he has identified, by regulation. Such needs and priorities shall include—

(1) the development of high quality vocational education programs for urban centers with high concentrations of economically disadvantaged individuals, unskilled workers, and unemployed individuals;

(2) the development of training opportunities for persons in sparsely populated rural areas and for individuals migrating from farms to urban areas;

(3) the establishment of guidance and placement centers to meet the training, counseling, and placement needs of unemployed youth and adults;

(4) the development of effective vocational education programs for individuals with limited English-speaking ability; and

(5) the establishment of cooperative arrangements between public education and manpower agencies, designed to correlate vocational education opportunities with current and projected needs of the labor market.

(b) Grants and contracts made by the State may be used to pay all or part of the cost of programs and projects—

(1) designed to meet the national needs and priorities identified by the Commissioner under subsection (a);

(2) designed to broaden occupational aspirations and opportunities for youth, with special emphasis given to youth who have academic, socioeconomic, or other handicaps, including—

(A) programs and projects designed to familiarize elementary and secondary school students with the broad range of occupations for which special skills are required and the requisites for careers in such occupations;

(B) programs and projects for students which provide educational experience through work during the school year or in the summer;

(C) programs and projects for intensive occupational guidance and counseling during the last years of secondary school and in postsecondary vocational education, and for initial job placement;

(D) programs and projects for young workers released from their jobs on a part-time basis for the purpose of increasing their educational attainment; and

(E) programs and projects to facilitate the participation of employers and labor organizations in postsecondary vocational education.

(c) In making grants or entering into contracts under this subpart the Commissioner or the State board, as the case may be, shall give priority to programs and projects designed to reduce sex sterotyping in vocational education.

CONDITIONS OF GRANTS AND CONTRACTS

Sec. 134. (a) A grant or contract pursuant to this subpart may be made or entered into by the Commissioner, under section 133(a), or by the State, under section 133(b), only upon a determination—

(1) that effective procedures will be adopted by grantees and contractors to coordinate the development and operation of such grant or contract with the State plan approved under section 108 and with other public and private programs, including manpower programs, having the same or a similar purpose; and

(2) that to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students, and that effective policies and procedures will be adopted which assume that Federal funds made available under this subpart will not be commingled with State or local funds.

(b)(1) Financial assistance under this subpart may not be given to any program or project for a period exceeding three years, except that a program or project of national significance assisted under section 133(a) may be supported for a fourth year if the Commissioner determines that its continuation for an additional year would serve to carry out the purposes of this subpart.

(2) The State board shall set forth in the annual program plan submitted pursuant to section 108 the expected grants and contracts to be made under section 133(b), together with the expected amount and duration of Federal financial participation in such programs and projects. The annual program plan covering the final year of financial support for any such program or project shall indicate the proposed disposition of the program or project following the cessation of Federal support and the means by which successful or promising programs or projects will be continued and expanded within the State.

PAYMENTS

Sec. 135. (a) From the amount available for grants and contracts under this subpart pursuant to section 132(b)(2), the Commissioner shall pay to each applicant an amount equal to the amount expended by such applicant in accordance with the approved application. Such payment may be made on such terms as are approved in such application. Payment pursuant to grants under this subpart may be made in installments, and in advance or by way of reimbursement, with necessary adjustment on account of overpayments or underpayments, as the Commissioner may determine.

(b) Notwithstanding any other provision of law, unless hereafter anacted expressly in limitation of the provisions of this subsection, funds available to the Commissioner pursuant to section 132(b)(2) shall remain available until expended.

Subpart 2—Curriculum Development

PURPOSE

SEC. 136. It is the purpose of this subpart to provide Federal assistance for the development and dissemination of curriculums for new and changing occupations.

Authorization of appropriations

SEC. 137. There are authorized to be appropriated $10,000,000 for fiscal year 1978 and for each of the succeeding fiscal years ending prior to October 1, 1982, for the purposes of this subpart.

USES OF FUNDS

SEC. 138. The Commissioner shall, after consultation with the National Advisory Council on Vocational Education and appropriate State boards, make grants to, or enter into contracts with, institutions of higher education, States, and other public and nonprofit private agencies and institutions, or contracts with public or private agencies, organizations, or institutions—

(1) to develop and disseminate vocational education curriculum materials for new and changing occupational fields and for individuals with special needs as described in section 110;

(2) to develop curriculum and guidance and testing materials designed to overcome sex bias in vocational education programs and support services designed to enable teachers to meet the needs of individuals enrolled in vocational education programs traditionally limited to members of the opposite sex;

(3) to survey, coordinate, and evaluate curriculum materials produced by agencies of the Federal Government, States, local educational agencies, and other agencies and organizations, and to disseminate the results of such effort; and

(4) to train personnel in curriculum development and in the use of curriculums developed pursuant to this subpart.

PART D—STUDENT PROGRAMS

Subpart 1—Work-Study Programs for Vocational Education Students

AUTHORIZATION OF APPROPRIATIONS

SEC. 141. There are authorized to be appropriated $45,000,000 for fiscal year 1978, $50,000,000 for fiscal year 1979, $55,000,000 for fiscal year 1980, and $60,000,000 for each of the fiscal years 1981 and 1982, for the purpose of carrying out this subpart.

ALLOTMENT AMONG STATES

SEC. 142. (a) From the sums appropriated under section 141 for each fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to such sums for such year as the population aged fifteen to twenty, inclusive, of the State in the fiscal year preceding the fiscal year for which the determination is made bears to the population aged fifteen to twenty, inclusive, of all the States in such preceding year.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out work-study programs under this subpart shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year, and the total of such reductions shall be similiarly reallotted among the States not suffering such a reduction. Any amount reallotted to a State under this subsection during such year shall be deemed part of its allotment for such year.

WORK-STUDY PROGRAMS

SEC. 143. (a) Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this subpart shall set forth, in its annual program plan approved pursuant to section 108, its proposed allotment of funds among local educational agencies for work-study programs for vocational education students, which allotment shall give priority to applications from local educational agencies serving communities having substantial numbers of youths who have dropped out of school or are unemployed. Such work-study programs shall—

(1) provide that employment shall be furnished only to a student who (A) has been accepted for enrollment as a full-time student in a vocational education program which meets the standards prescribed by the State board and the local educational agency for vocational education programs assisted under this Act or, in the case of a student already enrolled in such program, is in good standing and in full-time attendance, (B) is in need of the earnings from such employment to commence or continue his vocational education program, and (C) is at least fifteen years of age and less than twenty-one years of age at the commencement of his employment, and is capable, in the opinion of the appropriate school authorities, of maintaining good standing in his vocational education program while employed under the work-study program;

(2) provide that employment under such work-study program shall be for the local educational agency or for some other public agency or institution and shall, to the extent practicable, be related to the vocational education program in which the student is enrolled; and

(3) provide that, in each fiscal year during which such program remains in effect, such agency shall expend, from sources other than payments from Federal funds under this subpart, for the employment of its students (whether or not in employment eligible for assistance under this subpart) an amount that is not less than its average annual expenditure for work-study programs of a similar character during the three fiscal years preceding the fiscal year in which its work-study program under this section is approved.

(b) Students employed in work-study programs under this subpart shall not by reason of such employment be deemed employees of the United States, or their service Federal service, for any purpose.

PAYMENTS

Sec. 144. (a) From a State's allotment under section 142 for any fiscal year, the Commissioner shall pay to such State an amount equal to 80 per centum of the amount expended for the compensation of students employed in work-study programs approved as part of the State's annual program plan pursuant to section 108.

(b) In addition, the Commissioner shall pay, from such allotment, an amount, not to exceed 1 per centum of such allotment or $10,000, whichever is the greater, for the development of the work-study portion of the anual program plan and for administration of the program set forth in such plan.

Subpart 2—Cooperative Vocational Education Programs

PURPOSE

Sec. 146. It is the purpose of this subpart to enable the Commissioner to make grants to States for the establishment and expansion of programs of cooperative vocational education, involving alternate academic and vocational study and public or private employment, that will not only afford students the opportunity to earn through employment funds which can assist them in continuing and completing their education, but also will, so far as practicable, give them work experience related to their vocational education and occupational objectives.

AUTHORIZATION

Sec. 147. There are authorized to be appropriated $25,000,000 for fiscal year 1978, $30,000,000 for fiscal year 1979, $35,000,000 for fiscal year 1980, $40,000,000 for fiscal year 1981, and $50,000,000 for fiscal year 1982, for the purpose of carrying out this subpart.

ALLOTMENT AMONG STATES

Sec. 148. (a) From the sums appropriated pursuant to this subjart for each fiscal year, the Commissioner shall reserve such amount, not to exceed 3 per centum thereof, as he may determine necessary and shall allot such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, according to their relative need for assistance under this subpart.

(b) From the remainder, the Commissioner shall first allot $20,000 to each State (except those for which sums are reserved in subsection (a)), and he shall then allot to each such State an amount which bears the same ratio to any residue of such remainder as the population aged fifteen to nineteen, both inclusive, in the State bears to the population of such ages in all such States. The population of particular age groups of a State and of all the States shall be available estimates furnished by the Department of Commerce.

(c) The amount of any State's allotment under this section for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out programs authorized by this subpart shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of criteria established by regulation, among other States. Any amount reallotted to a State under this subsection during such year shall be deemed part of its allotment for such year.

COOPERATIVE VOCATIONAL EDUCATION PROGRAMS

Sec. 149. (a) Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this subpart shall set forth, in its annual program plan approved pursuant to section 108, its proposed allotment of funds among local educational agencies for the establishment and expansion of cooperative vocational education programs in which public and private employers participate, which allotment shall give priority to applications from local educational agencies in areas that have high rates of school dropouts and youth unemployment. Such cooperative vocational education programs shall—

(1) provide training opportunities which may not otherwise be available and which are designed to serve individuals who can benefit from such programs;

(2) be established in cooperation with employment agencies, labor groups, employers, and community agencies;

(3) provide for reimbursement of added costs to employers for on-the-job training of students enrolled in cooperative programs, if such on-the-job training is related to existing career opportunities susceptible of promotion and advancement and does not displace other workers who perform such work;

(4) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served, whose educational needs are of the type which the program involved is to meet, provide for the participation of such students; and

(5) provide such accounting, evaluation, and followup procedures as the Commissioner deems necessary, including effective policies and procedures to assure that Federal funds made available under this subpart will not be commingled with State or local funds.

(b) Funds allotted under this subpart may be used to pay all or part of the costs of establishment and expansion of cooperative vocational education programs.

PART E—EMERGENCY ASSISTANCE FOR REMODELING AND RENOVATION OF VOCATIONAL EDUCATION FACILITIES

PURPOSE

Sec. 151. It is the purpose of this part to provide emergency assistance, for a limited period of time, to local educational agencies in urban and rural areas which are unable to provide vocational education designed to meet today's manpower needs due to the age of their vocational education facilities or the absolete nature of the equipment used for vocational training, in order to assist such agencies in the modernization of facilities and equipment and the conversion of academic facilities necessary to assure that such facilities will be able to offer vocational education programs which give reasonable promise of employment, including the remodeling and renovation of such facilities to make the facilities comply with the requirements of the Act of August 2, 1968, commonly known as the Architectural Barriers Act of 1968.

AUTHORIZATION OF APPROPRIATIONS

Sec. 152. There are authorized to be appropriated $25,000,000 for fiscal year 1978, $50,000,000 for fiscal year 1979, $75,000,000 for fiscal year 1980, and $100,000,000 for fiscal year 1981, to carry out the purpose of this part.

APPLICATIONS

Sec. 153. (a) Any local educational agency desiring to receive assistance under this part shall submit to the Commissioner, through its State board, an application therefor, which application shall set forth—

(1) a description of the facility to be remodeled or renovated, including the date of construction of such facility and the extent of reconstruction necessary to enable such facility to provide a modern program of vocational education;

(2) a description of the equipment to be replaced or modernized with the assistance of funds made available under this part;

(3) a description of the extent to which the modernization or conversion of facilities and equipment, if assisted with funds made available under this part, would be consistent with, and further the goals of, the comprehensive statewide long-range plan developed pursuant to section 106;

(4) the financial ability of the local educational agency to undertake such modernization without Federal assistance;

(5) assurances that the facility to be remodeled or renovated will meet standards adopted pursuant to the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968;

(6) the extent of State and local funds available to match Federal funds made available under this part, together with the sources and amounts of such funds;

(7) such other information as the State board determines to be appropriate; and

(8) such other information as the Commissioner may require by regulation.

(b) In approving applications submitted under this part, the Commissioner shall apply only the following criteria:

(1) The need for such assistance, taking into account such factors as—

(A) the age and obsolescence of the facilities and equipment for which emergency modernization assistance is sought,

(B) the rate of youth unemployment in the labor market area served by the local educational agency,

(C) the number of youth aged seventeen through twenty-one residing in the labor market area served by the local educational agency who are unemployed, and

(D) the percentage such youth represent, as compared with the vocational education enrollment in the local educational agency,

(E) the ability of the facility to comply with the standards adopted pursuant to the Act of August 12, 1968 (42 U.S.C. 4151–4156), commonly known as the Architectural Barriers Act of 1968.

(2) The degree to which the modernization of facilities and equipment proposed in the application afford promise of achieving the goals set forth in the comprehensive statewide long-range plan developed pursuant to section 106.

(c) The Commissioner shall rank all approved applications according to their relative need or assistance and, except as provided in subsection (d), shall pay, from sums appropriated for this part, 75 per centum of the cost of such approved applications, until such appropriation shall be exhausted.

(d) The Commissioner shall consult with the Administrator of General Services and the Architectural and Transportation Barriers Compliance Board to determine whether the proposed remodeling or renovation will meet standards adopted pursuant to the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968.

(e) Upon a finding, in writing, that a local educational agency with an approved application is suffering from extreme financial need and would not, because of the limitation of Federal financial assistance to 75 per centum of the cost of the approved project, be able to participate in the program authorized by this part, the Commissioner may waive such limitation and may pay the full cost of the approved project.

PAYMENTS

Sec. 154. (a) Upon his approval of an application for assistance under this part, the Commissioner shall reserve from the appropriation available therefor the amount required for the payment of the Federal share of the cost of such application as determined under subsection (c) or (d) of section 153.

(b) The Commissioner shall pay to the applicant such reserved amount, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine.

PART F—CONSUMER AND HOMEMAKING EDUCATION

STATEMENT OF PURPOSE

SEC. 160. It is the purpose of consumer and homemaking education to prepare males and females for the occupation of homemaking including, but not limited to, consumer education, food and nutrition, family living and parenthood education, child development and guidance, housing and home furnishings, home management, and clothing and textiles. Such programs, services, and activities are designed to affect learners of all ages, helping individuals and families improve home environments, improve the quality of personal and family life, and enhance employability.

AUTHORIZATION OF APPROPRIATIONS

SEC. 161. There are authorized to be appropriated $50,000,000 for fiscal year 1978, $60,000,000 for fiscal year 1979, $70,000,000 for fiscal year 1980, $75,000,000 for fiscal year 1981, and $80,000,000 for fiscal year 1982, for the purpose of Federal assistance for consumer and homemaking education programs.

ALLOTMENT

SEC. 162. (a) From the sums appropriated pursuant to section 161, the Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under section 103.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the program authorized under this part shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines equitable and reasonable, to other States which he determines to be able to use such reallotted funds. Any amounts reallotted to a State under this subsection during such year shall be deemed part of its allotment for such year.

USES OF FUNDS

SEC. 163. (a) Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this part shall set forth, in its annual program plan approved pursuant to section 108, its proposed allotment of funds among local educational agencies for educational programs which——

(1) give greater consideration to economic, social, and cultural conditions and needs of all persons including special audiences such as teenage parents, older Americans, ethnic groups, the mentally and/or physically handicapped, institutionalized individuals, and persons in economically depressed areas;

(2) prepare individuals for professional leadership;

(3) are designed to prepare males and females for combining roles of homemaker and wage earner;

(4) include consumer education, management of resources, promotion of nutritional knowledge and food use, and parenthood education to meet current societal needs;

(5) are designed for males and females, who have entered, or are preparing to enter, the occupation of homemaking; and

(6) provide for ancillary services, activities and other means of assuring quality in all consumer and homemaking education programs, such as teacher training and supervision, curriculum development, research, program evaluation, special demonstration and experimental programs, provision of equipment, and State administration and leadership.

(b) At least one-third of the funds made available to each State under this part shall be expended in economically depressed areas or areas with high rates of unemployment for programs designed to assist consumers and to help improve home environments and the quality of family life.

PAYMENTS

Sec. 164. From a State's allotment under section 162 for each fiscal year, the Commissioner shall pay to such State an amount equal to 50 per centum of the amount expended for the purposes set forth in section 163(a), except that for each fiscal year the Commissioner shall pay an amount equal to 90 per centum of the amount used in areas described in section 163(b).

Part G—Special Energy Education

AUTHORIZATION OF APPROPRIATIONS

Sec. 166. There are authorized to be appropriated $5,000,000 for the fiscal year 1978, and $10,000,000 for each of the fiscal years ending prior to fiscal year 1982 for the purpose of carrying out this part.

GRANTS FOR ENERGY EDUCATION PROGRAM AUTHORIZED

Sec. 167. (a)(1) The Commissioner, after consultation and coordination with the Secretary of the Interior and with the Administrator of the Energy Research and Development Administration, is authorized to make grants to postsecondary educational institutions to carry out programs for the training of miners, supervisors, technicians (particularly safety personnel), and environmentalists in the field of coal mining and coal mine technology, including acquisition of equipment necessary for the conduct of such program.

(2) In making grants under paragraph (1) the Commissioner shall give priority to postsecondary educational institutions located in States having special need for such programs, as determined by the Commissioner.

APPLICATIONS

Sec. 168. Each postsecondary educational institution desiring to receive a grant under this part shall submit an application to the Commissioner at such time, in such manner, and containing or accompanied by such information, as the Commissioner deems necessary. Each such application shall—

(1) describe with particularity its program for the training of miners, supervisors, and technicians in the field of coal mining and coal mine technology, including provision for supplementary demonstration projects or short-term seminars, which program may include such curriculums as (A) the extraction, preparation, and transportation of coal, (B) the reclamation of coal mined land, (C) the strengthening of health and safety programs for coal mine employees, (D) the disposal of coal mine wastes, and (E) the chemical and physical analysis of coal and materials, such as water and soil, that are involved in the coal mining process;

(2) insure that curriculums developed for such program, to the maximum extent practicable, be designed to meet the needs of existing personnel in the coal mining process and to enable coal mine employees to upgrade their skills; and

(3) meet such additional requirements as the Commissioner may reasonably prescribe, including appropriate requirements of sections 107 and 108.

PAYMENTS

Sec. 169. From the amount available for grants under this part for any fiscal year, the Commissioner shall pay to each postsecondary institution the amount expended by such institution in carrying out its application under this part.

Part H—Research

AUTHORIZATION OF GRANTS AND CONTRACTS

Sec. 171. (a) There are authorized to be appropriated $65,000,000 for fiscal year 1978, $75,000,000 for fiscal year 1979, $85,000,000 for fiscal year 1980, $95,000,000 for fiscal year 1981, and $100,000,000 for fiscal year 1982, for the purpose of carrying out this part.

(b)(1) From the sums appropriated pursuant to this section, the Commissioner shall reserve 50 per centum which he shall use to make grants to, or enter into contracts with, institutions of higher education, public and private agencies and institutions, State boards, and, with the approval of the appropriate State board, to local educational agencies in that State for the purposes set forth in section 172(a), except that no grant may be made other than to a nonprofit agency or institution.

(2) From sums not otherwise reserved, the Commissioner shall allot to each State an amount which bears the same ratio to any residue of such remainder as the State's allotment under section 103(a)(2) of this Act bears to the total of such allotments for all such States, for use by the State board, in accordance with its State plan, for paying up to 75 per centum of the costs of the State research coordination unit and for grants to, and contracts with, institutions of higher education, other public and private agencies, organizations, and institutions, and local educational agencies for the purposes set forth in section 172(b), except that no grant may be made other than to a non-profit agency, organization or institution.

(c) In making grants and entering into contracts under this part, the Commissioner and the State board shall give priority to programs *and projects designed to reduce sex stereotyping in vocational education.*

USES OF FEDERAL FUNDS

Sec. 172. (a) Funds available to the Commissioner for grants and contracts under section 171(a) may be used for—

(1) research in vocational education;

(2) training programs designed to familiarize persons involved in vocational education with research findings and successful pilot and demonstration projects in vocational education;

(3) experienced, developmental, and pilot programs and projects designed to test the effectiveness of rsearch findings;

(4) demonstration and dissemination projects;

(5) the development of new vocational education curricula; and

(6) projects in the development of new careers and occupations, such as—

(A) research and experimental projects designed to identify new careers in such fields as mental and physical health, crime prevention and correction, welfare, education, municipal services, child care, and recreation requiring less training than professional positions and to delineate within such career roles with the potential for advancement from one level to another;

(B) training and development projects designed to demonstrate improved methods of securing the involvement, cooperation, and commitment of both the public and private sectors toward the end of achieving greater coordination and more effective implementation of programs for the employment of persons in the fields described in subparagraph (A), including programs to prepare professionals (including administrators) to work effectively with aides; and

(C) projects to evaluate the operation of programs for the training, development, and utilization of public service aides, particularly their effectiveness in providing satisfactory work experiences and in meeting public needs.

(b) Funds available to the States for grants and contracts under section 171(b) may be used, upon recommendation of the State research coordination unit or of the State advisory council, to pay 90 per centum of the cost of—

(1) research and training programs;

(2) experimental, developmental, or pilot programs designed to meet the special vocational needs of youths, particularly youths in economically depressed communities who have academic, socioeconomic, or other handicaps that prevent them from succeeding in regular vocational education programs; and

(3) dissemination of information derived from the foregoing programs or from research and demonstrations in the field of vocational education.

APPLICATIONS

Sec. 173. (a) A grant or contract under section 171(a) may be made upon application to the Commissioner at such time or times, in such manner, and containing, or accompanied by, such information as the

Commissioner deems necessary. Each such application shall contain—

(1) a description of the nature, duration, purpose, and plan of the project;

(2) the qualifications of the principal staff who will be responsible for the project;

(3) a justification of the amount of grant funds requested;

(4) the portion of the cost to be borne by the applicant; and

(5) such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant.

(b) The Commissioner may not approve an application until such application has been reviewed by a panel of experts who are not employees of the Federal Government.

PAYMENTS

SEC. 174. From the amount available for grants or contracts under section 171(a), the Commissioner shall pay to each applicant part of the amount expended by such applicant in accordance with applications approved pursuant to section 173.

PART I—SPECIAL PROJECTS GRANTS TO ASSIST IN OVERCOMING SEX BIAS

AUTHORIZATION OF APPROPRIATIONS

SEC. 176. There are authorized to be appropriated, to carry out the purposes of this part, $5,000,000 for the fiscal year 1978, and for each fiscal year ending prior to October 1, 1982.

PROGRAM AUTHORIZATION

SEC. 177. (a) The Commissioner is authorized to pay the Federal share of supporting activities which show promise of overcoming sex stereotyping and bias in vocational education.

(b) The Federal share shall not exceed 75 per centum of the cost of the application.

PART J—BILINGUAL VOCATIONAL TRAINING

Subpart 1—General Provisions

STATEMENT OF FINDINGS

SEC. 181. The Congress finds that one of the most acute problems in the United States involves millions of citizens, both children and adults, whose efforts to profit from vocational training is severely restricted by their limited English-speaking ability because they come from environments where the dominant language is other than English; that such persons are therefore unable to help to fill the critical need for more and better trained personnel in vital occupational categories; and that such persons are unable to make their maximum contribution to the Nation's economy and must, in fact, suffer the hardships of unemployment or underemployment. The Congress fur-

ther finds that there is a critical shortage of instructors possessing both the job knowledge and skills and the dual language capabilities required for adequate vocational instruction of such language-handicapped persons, and a corresponding shortage of instructional materials and of instructional methods and techniques suitable for such instruction.

GENERAL RESPONSIBILITIES OF THE COMMISSIONER

Sec. 182. (a) The Commissioner and the Secretary of Labor together shall—

(1) develop and disseminate accurate information on the status of bilingual vocational training in all parts of the United States;

(2) evaluate the impact of such bilingual vocational training on the shortage of well-trained personnel, the unemployment or underemployment of persons with limited English-speaking ability, and the ability of such persons to contribute fully to the economy of the United States; and

(3) report their findings annually to the President and the Congress.

(b) The Commissioner shall consult with the Secretary of Labor with respect to the administration of this part. Regulations and guidelines promulgated by the Commissioner to carry out subpart 2 of this part shall be consistent with those promulgated by the Secretary of Labor pursuant to section 301(b) of the Comprehensive Employment and Training Act of 1973 and shall be approved by the Secretary of Labor before issuance.

AUTHORIZATION OF APPROPRIATIONS

Sec. 183. There are authorized to be appropriated $40,000,000 for the fiscal year 1978; $60,000,000 for the fiscal year 1979; and $80,000,000 for the fiscal year 1980 and for each fiscal year ending prior to October 1, 1982, to carry out the provisions of subparts 2, 3, and 4, of this part, except that 65 per centum of such amounts shall be available only for grants and contracts under subpart 2 of this part, 25 per centum shall be available only for grants and contracts under subpart 3 of this part, and 10 per centum shall be available only for grants and contracts under subpart 4 of this part.

Subpart 2—Bilingual Vocational Training Programs

AUTHORIZATION OF GRANTS

Sec. 184. (a) From the sums made available for grants under this part pursuant to section 173, the Commissioner is authorized to make grants to and enter into contracts with appropriate State agencies, local educational agencies, postsecondary educational institutions, private nonprofit vocational training institutions, and to other nonprofit organizations especially created to serve a group whose language as normally used is other than English in supplying training in recognized occupations and new and emerging occupations, and to enter into contracts with private for-profit agencies and organizations, to assist *them in conducting bilingual vocational training programs for persons of all ages in all communities of the United States which are designed to insure that vocational training programs are available to all individuals who desire and need such bilingual vocational training.*

(b) The Secretary shall pay to each applicant which has an application approved under this part an amount equal to the total sums expended by the applicant for the purposes set forth in that application.

USE OF FEDERAL FUNDS

Sec. 185. Grants and contracts under this part may be used, in accordance with applications approved under section 189B, for—

(1) bilingual vocational training programs for persons who have completed or left elementary or secondary school and who are available for training by a postsecondary educational institution;

(2) bilingual vocational training programs for persons who have already entered the labor market and who desire or need training or retraining to achieve year-round employment, adjust to changing manpower needs, expand their range of skills, or advance in employment; and

(3) training allowances for participants in bilingual vocational training programs subject to the same conditions and limitations as are set forth in section 111 of the Comprehensive Employment and Training Act of 1973.

Subpart 3—Instructor Training Programs

AUTHORIZATION OF GRANTS

Sec. 186. (a) From the sums made available for grants and contracts under this part pursuant to section 193, the Commissioner is authorized to make grants to and enter into contracts with Sates, or educaional institutions, either public or private, to assist them in conducting training for instructors of bilingual vocational training programs, and whenever the Commission determines that it will contribute to carrying out the purposes of this part, to make grants to, and enter into contracts with, States or educaional institutions, either public or private, to assist them in conducting training for instructors in bilingual vocational training programs.

(b) The Commissioner shall pay to each applicant which has an application approved under this part an amount equal to the total sums expended by the applicant for purposes set forth in that application.

USE OF FEDERAL FUNDS

Sec. 187. Grants and contracts under this subpart may be used, in accordance with applications approved under section 189B, for—

(1) providing preservice training designed to prepare persons to participate in bilingual vocational training or vocational education programs as instructors, aides, or other ancillary personnel such as counselors, and in-service and development programs designed to enable such personnel to continue to improve their qualifications while participating in such programs; and

(2) fellowships or traineeships for persons engaged in such preservice or in-service training.

Subpart 4—Development of Instructional Materials, Methods and Techniques

AUTHORIZATION OF GRANTS

SEC. 188. (a) From the sums made available for grants and contracts under this part pursuant to section 173, the Commissioner is and private educational institutions, and to other appropriate nonprofit organizations, and to enter into contracts with private for-profit individuals and organizations, to assist them in developing instructional material, methods, or techniques for bilingual vocational training.

(b) The Commissioner shall pay to each applicant which has an application approved under this part an amount equal to the total sums expended by the applicant for the purposes set forth in that application.

USE OF FEEDRAL FUNDS

SEC. 189. Grants and contracts under this part may be used, in accordance with applications approved under section 189B, for—

(1) research in bilingual vocational training;

(2) training programs designed to familiarize State agencies and training institutions with research findings and successful pilot and demonstration projects in bilingual vocational training;

(3) experimental, developmental, and pilot programs and projects designed to test the effectiveness of research findings; and

(4) other demonstration and dissemination projects.

Subpart 5—Applications for Assistance

APPLICATIONS

SEC. 189A. (a) A grant or contract for assistance under this part may be made only upon application to the Commissioner, at such time, in such manner, nad containing or accompanied by such information as the Commissioner deems necessary. Each such application shall—

(1) provide that the activities and services for which assistance under this part is sought will be administered by or under the supervision of the applicant;

(2)(A) in the case of assistance under subpart 2, set forth a program for carrying out the purposes described in section 185,

(B) in the case of assistance under subpart 3, set forth a program for carrying out the purposes described in section 187, and

(C) in the case of assistance under subpart 4, set forth a program for carrying out the purposes described in section 189;

(3)(A) in the case of assistance under subpart 2, set forth a program of such size, scope, and design as will make a substantial contribution toward carrying out the purposes of this part;

(4) in the case of assistance under subpart 3—

(A) *describe the capabilities of the applicant institution, including a listing of the vocational training or vocational education courses offered by that institution, together with appropriate accreditation by regional or national associations, if any, and approval by appropriate State agencies of the courses offered,*

(B) *set forth the qualifications of the principal staff who will be responsible for the training program, and*

(C) *contain a statement of the minimum qualifications of the persons to be enrolled in the training program, a description of the selection process for such persons, and the amounts of the fellowships or traineeships, if any, to be granted to persons so enrolled; and*

(5) *in the case of assistance under subpart 4, set forth the qualifications of the staff who will be responsible for the program for which assistance is sought.*

(b) *No grant or contract may be made under subpart 2 directly to a local educational agency or a postsecondary educational institution or a private vocational training institution or any other eligible agency or organization unless that agency, institution, or organization has submitted the application to the State board established under part B of this title, or in the case of a State that does not have such a board, the similar State agency, for comment and includes the comment of that board or agency with the application.*

APPLICATION APPROVAL BY THE COMMISSIONER

Sec. 189B. (a) *The Commissioner may approve an application for assistance under this part only if—*

(1) *the application meets the requirements set forth in subsection (a) of the previous section;*

(2) *in the case of an application submitted for assistance under subpart 2 to an agency, institution, or organization other than the State board established under part B of this title, the requirement of subsection (b) of the previous section is met;*

(3) *in the case of an application submitted for assistance under subpart 3—*

(A) *the Commissioner determines that bilingual vocational training or vocational education programs requiring the services of the persons to be trained have been or will be actually conducted in any State being served and that enrollees will be selected from or for such programs;*

(B) *the Commissioner determines that the applicant institution actually has an ongoing vocational training program in the field for which persons are being trained; and that the applicant institution can provide instructors with adequate language capabilities in the language other than English to be used in the bilingual vocational training program for which the persons are being trained; and*

(4) *in the case of an application submitted for assistance under subpart 2 or subpart 3, the Commissioner determines that the pro-*

gram is consistent with criteria established by him, where feasible, after consultation with the State board established under part B of this title, for achieving equitable distribution of assistance under the appropriate subpart within that State.

(b) An amendment to an application shall, except as the Commissioner may otherwise provide, be subject to approval in the same manner as the original application.".

PART K—GENERAL PROVISIONS

DEFINITIONS

SEC. 191. As used in this Act—

(1) The term 'vocational education' means organized educational programs, services, and activities, including guidance and counseling, which are directly related to the preparation of individuals for paid or unpaid employment, or for additional preparation for a career requiring other than a baccalaureate or advanced degree.

(2) The term 'area vocational education school' means—

(A) a specialized high school used exclusively or principally for the provision of vocational education to persons who are available for study in preparation for entering the labor market, or

(B) the department of a high school exclusively or principally used for providing vocational education in no less than five different occupational fields to persons who are available for study in preparation for entering the labor market, or

(C) a technical or vocational school used exclusively or principally for the provision of vocational education to persons who have completed or left high school and who are available for study in preparation for entering the labor market, or

(D) the department or division of a junior college or community college or university which provides vocational education in no less than five different occupational fields, leading to immediate employment but not necessarily leading to a baccalaureate degree, if it is available to all residents of the State or an area of the State designated and approved by the State board, and if, in the case of a school, department, or division described in (C) or (D), if it admits as regular students both persons who have completed high school and persons who have left high school.

(3) The term 'school facilities' means classrooms and related facilities (including initial equipment) and interests in lands on which such facilities are constructed. Such term shall not include any facility intended primarily for events for which admission is to be charged to the general public.

(4) The term 'construction' includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and includes site grading and improvement and architect fees.

(5) The term 'Commissioner' means the Commissioner of Education.

(6) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

(7) The term ‘handicapped’, when applied to persons, means persons who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired persons who by reason thereof require special education and related services.

(8) The term ‘State’ includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(9) The term ‘State board’ means a State board designated or created by State law as the sole State agency responsible for the administration of vocational education, or for supervision of the administration of vocational education in the State.

(10) The term ‘local educational agency’ means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public educational institution or agency having administrative control and direction of a vocational education program.

(11) The term ‘State educational agency’ means the State board of education or other agency or officer primarily responsible for the State supervision fo public elementary and secondary schools, or, if there is not such officer or agency an officer or agency designated by the Governor or by State law.

(12) The term ‘postsecondary educational institution’ means a nonprofit institution legally authorized to provide postsecondary education within a State for persons sixteen years of age or older, who have graduated from or left elementary or secondary school.

(13) The term ‘eligible recipient’ means a local educational agency or a postsecondary educational institution.

(14) The term ‘National Advisory Council’ means the National Advisory Council on Vocational Education continued under section 182.

NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION

SEC. 192. *(a) The National Advisory Council on Vocational Educational Education, established pursuant to section 104(a) of the Vocational Education Act of 1963, shall continue to exist during the period for which appropriations are authorized under this Act. Individuals who are members of the Council on the date of the enactment of this Act may continue to serve for the terms for which they were appointed. Members appointed to succeed such individuals shall be appointed by the President for terms of three years. The Council shall consist of twenty-one members, each of whom shall be designated as representing one of the categories set forth in the following sentence. The National Advisory Council shall include individuals—*

(1) representative of labor and management, including persons who have knowledge of semiskilled, skilled, and technical employment;

(2) representative of new and emerging occupational fields;

(3) knowledgeable in the field of vocational guidance and counseling;

(4) familiar with manpower programs and administration of manpower programs;

(5) knowledgeable about the administration of State and local vocational education programs, including members of school boards and private institutions;

(6) experienced in the education and training of handicapped persons and of persons of limited English-speaking ability (as defined in section 703(a) of the Elementary and Secondary Education Act of 1965);

(7) familiar with the special problems and needs of individuals disadvantaged by their socioeconomic backgrounds;

(8) having special knowledge of postsecondary and adult vocational education programs;

(9) familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education;

(10) representing the National Commission for Manpower Policy created pursuant to title V of the Comprehensive Employment and Training Act of 1973;

(11) familiar with the special problems of individuals in correctional institutions; and

(12) representative of the general public who are not Federal employees, including parents and students, except that they must not be representative of categories (1) through (10), and who shall constitute not less than one-third of the total membership.

In appointing the National Advisory Council, the President shall insure that there is appropriate representation of both sexes, racial and ethnic minorities, and the various geographic regions of the country. The President shall select the chairman. The National Advisory Council shall meet at the call of the Chairman, but not less than four times a year.

(b) The National Advisory Council shall—

(1) advise the President, Congress, Secretary, and Commissioner concerning the administration of, preparation of general regulations and budget requests for, and operation of, vocational education programs supported with assistance under this Act;

(2) review the administration and operation of vocational education programs under this Act, and other pertinent laws affecting vocational education and manpower training (including the effectiveness of such programs in meeting the purposes for which they are established and operated), make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this Act and such other pertinent laws) to the President, Congress, Secretary, and Commissioner;

(3) make such other reports or recommendations to the President, Congress, Secretary, Commissioner, or head of any other Federal department or agency as it may deem desirable;

(4) identify, after consultation with the National Commission for Manpower Policy, the vocational education and manpower

needs of the Nation and assess the extent to which vocational education, manpower training, vocational rehabilitation, and other programs under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs;

(5) conduct such studies, hearings, or other activities as it deems necessary to enable it to formulate appropriate recommendations;

(6) conduct independent evaluations of programs carried out under this Act and publish and distribute the results thereof; and

(7) provide technical assistance to State advisory councils established pursuant to section 105, in order to assist them in carrying out their responsibilities under this Act.

(c)(1) There are authorized to be appropriated $250,000 for the fiscal year 1978, and for each of the four succeeding fiscal years to enable the National Advisory Council to employ such technical personnel as may be required to carry out its functions under this section.

(2) There are also authorized to be appropriated such sums for the fiscal year 1978 and for each of the four succeeding fiscal years as may be necessary to carry out the provisions of subsections (a) and (b) of this section.

SPECIAL EVALUATIONS

Sec. 193. (a) The Commissioner shall prepare and submit annually to the Congress a report containing an indepth evaluation of the operation in at least five States of the programs authorized by this Act. In selecting States under this section, the Commissioner shall establish not more than three classifications of States, including an urban and a rural classification. The evaluation required by this section shall be made in at least one State that is substantially representative of each classification established pursuant to the preceding sentence.

(b) The Commissioner shall submit a report of the findings and recommendations developed pursuant to the evaluation conducted under this section to each State subject to such an evaluation for comment prior to the submission to the Congress of the report or evaluation.

(c) The report required to be submitted by this section shall also contain the reasons for the selection of the States. To the extent resources are available the Commissioner is encouraged to conduct evaluations in more than five States.

Sec. 301—Extension of the Emergency Insured Student Loan Act of 1969

TITLE III—EXTENSION AND REVISIONS OF OTHER EDUCATION PROGRAMS

EMERGENCY INSURED STUDENT LOAN ACT OF 1969

INCENTIVE PAYMENTS ON INSURED STUDENT LOANS

Sec. 2. (a)(1) Whenever the Secretary of Health, Education, and Welfare determines that the limitations on interest or other conditions (or both) applicable under part B of title IV of the Higher

Education Act of 1965 (Public Law 89–329) to student loans eligible for insurance by the Commissioner of Education or under a State or nonprofit private insurance program covered by an agreement under section 428(a) of such Act, considered in the light of the then current economic conditions and in particular the relevant money market, are impending or threatening to impede the carrying out of the purposes of such part B and have caused the return to holders of such loans to be less than equitable, he **[**is hereby authorized**]** *shall,* by regulation *consistent with the method of determining the payment of the special allowance established pursuant to section 3 of this Act* applicable to a three-month period specified therein, to prescribe **[**(after consultation with the Secretary of the Treasury and the heads of other appropriate agencies)**]** a special allowance to be paid promptly by the Commissioner of Education to each holder of an eligible loan or loans. The amount of such allowance to any holder with respect to such period shall be a percentage, specified in such regulation, of the average unpaid balance of disbursed principal (not including interest added to principal) of all eligible loans held by such holder during such period, which balance shall be computed in a manner specified in such regulation; but no such percentage shall be set at a rate in excess of 3 per centum per annum.

(2) A determination pursuant to pragraph (1) may be made by the Secretary of Health, Education, and Welfare, on a national, regional, or other appropriate basis and the regulations based thereon may, accordingly, set differing allowance rates for different regions or other areas or classifications of lenders, within the limit of the maximum rate set forth in paragraph (1).

(3) For each three-month period with respect to which the Secretary of Health, Education, and Welfare prescribes a special allowance, the determination required by paragraph (1) shall be made, and the percentage rate applicable thereto shall be set, by promulgation of a new regulation or by amendment to a regulation applicable to a prior period or periods.

(4) The special allowance established for any such three-month period shall be payable at such time, after the close of such period, as may be specified by or pursuant to regulations promulgated under this Act. The holder of a loan with respect to which any such allowance is to be paid shall be deemed to have a contractual right, as against the United States, to receive such allowance from the Commissioner.

(5) Each regulation or amendment, prescribed under this Act, which establishes a special allowance with respect to a three-month period specified in the regulation or amendment shall, notwithstanding section 505 of the Higher Education Amendments of 1968, apply to the three-month period immediately preceding the period in which such regulation or amendment is published in the Federal Register, except that the first such regulation may be made effective as of August 1, 1969, and notwithstanding other provisions of this section requiring a three-month period, may be made effective for a period of less than three months.

(6)(A) The Secretary of Health, Education, and Welfare shall determine, with respect to the student insured loan program as authorized under part B of title IV of the Higher Education Act of 1965 and this Act, whether there are any practices of lending institutions which may result in discrimination against particular classes or categories of students, including the requirement that as a condition to the receipt of a loan the student or his family maintain a business relationship with the lender, the consequences of such requirement, and the practice of refusing to make loans to students for their freshman year of study, and also including any discrimination on the basis of sex, color, creed, or national origin. The Secretary shall make a report with respect to such determination, and his recommendations, to the Congress on or before March 1, 1970.

(B) If, after making such determination, the Secretary finds that, in any area, a substantial number of eligible students are denied a fair opportunity to obtain an insured student loan because of practices of lending institutions in the area which limit student participation, (i) he shall take such steps as may be appropriate, after consultation with the appropriate State guarantee agencies and the Advisory Council on Financial Aid to Students, relating to such practices and to encourage the development in such area of a plan to increase the availability of financial assistance opportunities for such students, and (ii) he shall, within sixty days after making such determination, adopt or amend appropriate regulations pertaining to the student insured loan program to prevent, where practicable, practices which he finds have denied loans to a substantial number of students.

(7) As used in this Act, the term "eligible loan" means a loan made on or after August 1, 1969, and prior to [July 1, 1975] *October 1, 1982* which is insured under title IV–B of the Higher Education Act of 1965, or made under a program covered by an agreement under section 428(b) of such Act.

(b) The Commissioner of Education shall pay the holder of an eligible loan, at such time or times as are specified in regulations, a special allowance prescribed pursuant to subsection (a), subject to the condition that such holder shall submit to the Commissioner, at such time or times and in such manner as he may deem proper, such information as may be required by regulation for the purpose of enabling the Secretary of Health, Education, and Welfare and the Commissioner to carry out their functions under this Act and to carry out the purposes of this Act.

(c)(1) There are hereby authorized to be appropriated for special allowances as authorized by this section not to exceed $20,000,000 for the fiscal year ending June 30, 1970, $40,000,000 for the fiscal year ending June 30, 1971, and for succeeding fiscal years such sums as may be necessary.

(2) Sums available for expenditure pursuant to appropriations made for the fiscal year ending June 30, 1969, under section 421(b) (other than clause (1) thereof) of the Higher Education Act of 1965 shall be available for payment of special allowances under this Act. The authorization in paragraph (1) shall be reduced by the amount made available pursuant to this paragraph.

IMPROVED DETERMINATION OF INCENTIVE PAYMENTS

Sec. 3. (a) In order to assure (1) that incentive payments on insured student loans authorized by this Act are paid promptly to eligible lenders, (2) that appropriate consideration of relative administrative *costs and money market conditions is made in setting the quarterly rate of such payments, and (3) that participating lenders will have a better opportunity to assess, prospectively, the incentive payment rate for a future quarter, the Congress finds that it is necessary to establish an improved method for the determination of the quarterly rate of the special allowance paid under this Act.*

(b) In order to establish a new and permanent method for the determination of the quarterly rate of the special allowance paid under this Act, there is established a Committee on the Process of Determining Student Loan Special Allowances (hereinafter in this section referred to as the "Committee"). The Committee shall be composed of—

(1) the Commissioner of Education;

(2) the Secretary of Health, Education, and Welfare;

(3) the Secretary of the Treasury;

(4) a representative of State and nonprofit private institutions and organizations participating under an agreement under section 428(b) of the Higher Education Act of 1965 appointed by the Commissioner from a list of individuals recommended by the National Council on Higher Education Loan Programs;

(5) a representative of the Student Loan Marketing Association appointed by the Commissioner, from a list of individuals recommended by that Association;

(6) a representative of the National Association of Collegiate and University Business Officers appointed by the Commissioner, from a list of individuals recommended by that Association;

(7) a representative of the National Association of Student Financial Aid Administrators, appointed by the Commissioner, from a list of individuals recommended by that Association;

(8) a representative of the participating eligible lenders (but not including any such lender which is an educational institution), appointed by the Secretary of the Treasury after consultation with national organizations of financial institutions, a substantial number of whose members participate in programs authorized under part B of title IV of the Higher Education Act of 1965; and

(9) a representative of student organizations appointed by the Commissioner after consultation with appropriate student organizations.

"(c) Within one hundred and twenty days after the date of enactment of the Education Amendments of 1976, the Committee shall prepare and submit to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives regulations which propose an improved method or methods for the determination of the quarterly rate of the special allowance paid under this Act.

(2) The Committee shall make every effort to reach a unanimous decision with respect to the method for the determination of the quarterly rate of the special allowance established under this section.

(3) In developing the method for the determination of the quarterly rate of the special allowance under this section, the Committee shall consider—

(A) the administrative costs of various types of eligible lenders under part B of title IV of the Higher Education Act of 1965,

(B) relevant and widely available financial indicators which accurately reflect the costs of capital invested in programs under such part B, or substitute financial indicators which equitably represent the cost of such capital,

(C) an administrative mechanism necessary to produce a prompt and rapidly disseminated determination of the quarterly rate of the special allowance, in order to avoid delays in the determination and dissemination of that rate and in the actual payment of the special allowance to eligible lenders, and

(D) such other factors as the Committee considers necessary to carry out the purposes of this section.

(4) In carrying out its responsibilities under this section, the Committee shall seek the cooperation and assistance of the official in the Office of Education directly responsible for the administration of part B of title IV of the Higher Education Act of 1965 and with such other appropriate officials of the Office of Education as the Committee deems appropriate.

(5) In order to assist the Committee to carry out its functions under this section, the Commission of Education is authorized to hire consultants, and to enter into contracts, and pay the costs of such contracts from funds regularly appropriated for the purposes of administering programs authorized by part B of title IV of the Higher Education Act of 1965.

(6) The Commissioner of Education shall convene the first session of the Committee within forty-five days after the date of enactment of the Education Amendments of 1976. The Committee shall select a Chairman from among its members who are not officials of the Federal Government.

(7) The Committee is not authorized to employ permanent employees or to lease or obtain the use of permanent offices or to take other steps to extend its period of service beyond the time necessary to complete its responsibilities under this section.

(8) The Committee shall cease to exist ten days after the effective date of regulations prescribed in subsection (d) of this section.

(d)(1) The Committee shall submit the regulations proposing the alternative method or the alternative methods of determining the quarterly rate of the special allowance under this Act to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives in accordance with the provisions of this section.

(2) No regulations proposing an alternative method of determining the quarterly rate of the special allowance shall be effective under the provisions of this section unless the Committee comes to an agreement with the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives.

Emergency Insured Student Loan Act of 1969

INCENTIVE PAYMENTS ON INSURED STUDENT LOANS

Sec. 2. (a)(1) Whenever the Secretary of Health, Education, and Welfare determines that the limitations on interest or other conditions (or both) applicable under part B of title IV of the Higher Education Act of 1965 (Public Law 89–329) to student loans eligible for insurance by the Commissioner of Education or under a State or nonprofit private insurance program covered by an agreement under section 428(b) of such Act, considered in the light of the then current economic conditions and in particular the relevant money market, are impending or threatening to impede the carrying out of the purposes of such part B and have caused the return to holders of such loans to be less than equitable, he *shall* [is hereby authorized] by regulation *consistent with the method at determining the payment of the special allowance established pursuant to section 3 of this Act* applicable to a three-month period specified therein, to prescribe [(after consultation with the Secretary of the Treasury and the heads of other appropriate agencies)] a special allowance to be paid *promptly* by the Commissioner of Education to each holder of an eligible loan or loans. The amount of such allowance to any holder with respect to such period shall be a percentage, specified in such regulation, of the average unpaid balance of disbursed principal (not including interest added to principal) of all eligible loans held by such holder during such period, which balance shall be computed in a manner specified in such regulation; but no such percentage shall be set at a rate in excess of 3 per centum per annum.

* * * * * * *

Sec. 303—Extension of Title III of the National Defense Education Act of 1957

TITLE III—FINANCIAL ASSISTANCE FOR STRENGTHENING INSTRUCTION IN SCIENCE, MATHEMATICS, MODERN FOREIGN LANGUAGES, AND OTHER CRITICAL SUBJECTS

Part A—Grants to States

APPROPRIATIONS AUTHORIZED

Sec. 301. There are hereby authorized to be appropriated $70,000,000 for the fiscal year ending June 30, 1959, and for each of the five succeeding fiscal years, $90,000,000 for the fiscal year ending June 30, 1965, and $100,000,000 for the fiscal year ending June 30, 1966, and for the succeeding fiscal year, $110,000,000 for each of the fiscal years ending June 30, 1968, and June 30, 1969, $120,500,000 for the fiscal year ending June 30, 1970, and $130,500,000 for each of the fiscal years ending prior to [June 30, [1977,]] *September 30, 1978*, for (1) making payments to State educational agencies under this title for the acquisition of equipment and for minor remodeling, described in paragraph

(1) of section 303(a), and (2) making loans authorized in section 305. There are also authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1959, and for each of the five succeeding fiscal years, and $10,000,000 for each of the succeeding fiscal years ending prior to **[**July 1, [1977,]**]** *October 1, 1978*, for making payments to State educational agencies under this part to carry out the programs described in paragraph (5) of section 303(a). Notwithstanding the preceding two sentences, no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out part B of title IV of the Elementary and Secondary Education Act of 1965.

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Sec. 304—Extension and Revision of Title VI of the National Defense Education Act of 1958

TITLE VI—LANGUAGE DEVELOPMENT

LANGUAGE AND AREA CENTERS AND PROGRAMS

SEC. 601. *(1)* (a) The Secretary is authorized to make grants to or contracts with institutions of higher education for the purposes of establishing, equipping, and operating graduate and undergraduate centers and programs for the teaching of any modern foreign language, for instruction in other fields needed to provide a full understanding of the areas, regions, or countries in which such language is commonly used, or for research and training in international studies and the international aspects of professional and other fields of study. Any such grant or contract may cover all or part of the cost of the establishment or operation of a center or program, including the costs of faculty, staff, and student travel in foreign areas, regions, or countries, and the costs of travel of foreign scholars to teach or conduct research, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

(b) The Secretary is also authorized to pay stipends to individuals undergoing advanced training in any center or under any program receiving Federal financial assistance under this title, including allowances for dependents and for travel for research and study here and abroad, but only upon reasonable assurance that the recipients of such stipends will, on completion of their training, be available for teaching service in an institution of higher education or elementary or secondary school, or such other service of a public nature as may be permitted in the regulations of the Secretary.

(c) No funds may be expended under this title for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

(2) The Secretary is authorized to make grants to or enter into contracts with institutions of higher education for the construction of facilities for model intercultural programs designed to integrate the

educational requirements of substantive knowledge and language proficiency.

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APPROPRIATIONS AUTHORIZED

[SEC. 603. There are hereby authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1964, $13,000,000 for the fiscal year ending June 30, 1965, $14,000,000 for the fiscal year ending June 30, 1966, $16,000,000 for the fiscal year ending June 30, 1967, $18,000,000 for the fiscal year ending June 30, 1968, $16,050,000 for the fiscal year ending June 30, 1969, $30,000,000 for the fiscal year ending June 30, 1970, $38,500,000 for each of the fiscal years ending June 30, 1971, and June 30, 1972, $50,000,000 for the fiscal year ending June 30, 1973, and $75,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975, to carry out the provisions of this title.]

SEC. 603. There are authorized $75,000,000 for the fiscal year ending June 30, 1976 and for each of the succeeding fiscal years ending prior to October 1, 1982, to carry out the provisions of this title.

Sec. 305—International Education Act of 1966

PART VIII—INTERNATIONAL EDUCATION PROGRAMS

INTERNATIONAL EDUCATION ACT OF 1966

FINDINGS AND DECLARATIONS

SEC. 2. The Congress hereby finds and declares that a knowledge of other countries is of the utmost importance in promoting mutual understanding and cooperation between nations; that strong American educational resources are a necessary base for strengthening our relations with other countries; that this and future generations of Americans should be assured ample opportunity to develop to the fullest extent possible their intellectual capacities in all areas of knowledge pertaining to other countries, peoples, and cultures; and that it is therefore both necessary and appropriate for the Federal Government to assist in the development of resources for international study and research, to assist in the development of resources and trained personnel in academic and professional fields, and to coordinate the existing and future programs of the Federal Government in international education, to meet the requirements of world leadership.

* * * * * * *

AUTHORIZATION AND REPORTS

[SEC. 105. (a) There is authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1967, which shall be available only for the purpose of preparing the report provided for in subsection (b) of this section. There are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1968, and $90,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971, for the purpose of carrying out the provisions of this title. There are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1973, $30,000,000 for the fiscal year ending June 30, 1974, and $40,000,000 for the fiscal year ending June 30, 1975, for the purpose of carrying out the provisions of this title. For the fiscal years thereafter there shall be appropriated for the purpose of carrying out the provisions of this title only such amounts the Congress may hereafter authorize by law.**]**

Sec. 105. (a) There are authorized to be appropriated $40,000,000 for the fiscal year 1976, $20,000,000 for fiscal year 1977, $30,000,000 for fiscal year 1978, and $40,000,000 for each of the succeeding fiscal years ending prior to October 1, 1982, for the purpose of carrying out the provisions of this title.

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Sec. 321—Emergency School Aid Act

TITLE VII—EMERGENCY SCHOOL AID

SHORT TITLE

Sec. 701. This title may be cited as the "Emergency School Aid Act."

* * * * * * *

APPROPRIATIONS

Sec. 704. (a) The Assistant Secretary shall, in accordance with the provisions of this title, carry out a program designed to achieve the purpose set forth in section 702(b). There are authorized to be appropriated for the purpose of carrying out this title, $1,000,000,000 for the fiscal year ending June 30, 1973, and $1,000,000,000 for the period ending June 30, 1976, *and $1,000,000,000 for the period beginning July 1, 1976, and ending September 30, 1979.*[1] Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

(*b*) From the sums appropriated pursuant to subsection (a) for any fiscal year, the Assistant Secretary shall reserve an amount equal to 13 per centum thereof for the purposes of sections 708 (a) and (c), 711, and 713, of which—

(A) not less than an amount equal to 4 per centum of such sums shall be for the purposes of section 708(c); and

(B) not less than an amount equal to 3 per centum of such sums shall be for the purposes of section 711.

(c) There are authorized to be appropriated, in addition to the sums authorized under subsection (a) of this section, $100,000,000 for the fiscal year 1977 and for each of the fiscal years ending prior to October 1, 1982, for the purpose of carrying out section 708(a), relating to special programs and projects. The provisions of section 705, relating to apportionment among the States, shall not apply to sums appropriated pursuant to this subsection.

ALLEN J. ELLENDER FELLOWSHIP PROGRAM

JOINT RESOLUTION To provide grants for Allen J. Ellender fellowships to disadvantaged secondary school students and their teachers to participate in a Washington public affairs program

Whereas Allen J. Ellender, a Senator from Louisiana and President pro tempore of the United States Senate, had a distinguished career in public service characterized by extraordinary energy and real concern for young people and the development of greater opportunities for active and responsible citizenship by young people; and

Whereas Senator Ellender provided valuable support and encouragement to the Close Up Foundation, a nonpartisan, nonprofit foundation promoting knowledge and understanding of the Federal Government among young people and their educators; and

Whereas it is a fitting and appropriate tribute to the beloved Senator Ellender to provide in his name an opportunity for participation, by students of limited economic means and by their teachers, in the program supported by the Close Up Foundation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Commissioner of Education (hereinafter referred to as the "Commissioner") is authorized to make grants in accordance with the provisions of this joint resolution to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its program of increasing understanding of the Federal Government among secondary school students, their teachers, and the communities they represent.

(b) Grants received under this joint resolution shall be used only for financial assistance to economically disadvantaged students and their teachers who participate in the program described in subsection (a) of this section. Financial assistance received pursuant to this joint resolution by such students and teachers shall be known as Allen J. Ellender fellowships.

Sec. 2. (a) No grant under this joint resolution may be made except upon an application at such time, in such manner, and accompanied by such information as the Commissioner may reasonably require.

(b) Each such application shall contain provisions to assure—

(1) that not more than one thousand five hundred fellowship grants are made to economically disadvantaged secondary school students, and to secondary school teachers, in any fiscal year;

(2) that not more than one secondary school teacher in each such school participating in the program may receive a fellowship grant in any fiscal year; and

(3) the proper disbursement of the funds of the United States received under this joint resolution.

Sec. 3. (a) Payments under this joint resolution may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment.

(b) The Comptroller General of the United States or any of his duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grant under this joint resolution.

Sec. 4. For the purpose of this joint resolution, the term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education beyond grade twelve.

Sec. 5. There are authorized to be appropriated not to exceed $500,000 for the fiscal year ending June 30, 1973, and for each of the [two] succeeding fiscal years *ending prior to October 1, 1976, $750,000 for each of the fiscal years 1977 and 1978, and $1,000,000 for the fiscal year 1979 and for each of the fiscal years ending prior to October 1, 1982* to carry out the provisions of this joint resolution.

Sec. 323—Maintenance of Effort

PART II—ELEMENTARY AND SECONDARY PROGRAMS*

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

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STATE PLANS

Sec. 403. (a) Any State which desires to receive grants under this title shall establish an advisory council as provided by subsection (b) and shall submit to the Commissioner a State plan, in such detail as the Commissioner deems necessary, which—

(1) designates the State educational agency as the State agency which shall, either directly or through arrangements with other State or local public agencies, act as the sole agency for the administration of the State plan;

(2) sets forth a program under which funds paid to the State from its allotments under section 402 will be expended solely for the programs and purposes authorized by parts B and C of this title, and for administration of the State plan;

(3) provides assurances that the requirements of section 406 (relating to the participation of pupils and teachers in nonpublic elementary and secondary schools) will be met, or certifies that such requirements cannot legally be met in such State;

(4) provides assurances that (A) funds such agency receives from appropriations made under section 401(a) will be distributed among local educational agencies according to the enrollments in public and nonpublic schools within the school districts of such agencies, except that substantial funds will be provided to (i) local educational agencies whose tax effort for education is substantially greater than the State average tax effort for education, but whose per pupil expenditure (excluding payments made under title I of this Act) is no greater than the average per

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**The provisions of this section (except for the amendment made by subsection (a)(2) of this section) shall take effect on July 1, 1975.*

pupil expenditure in the State, and (ii) local educational agencies which have the greatest numbers of percentages of children whose education imposes a higher than average cost per child, such as children from low-income families, children living in sparsely populated areas, and children from families in which English is not the dominant language; and (B) funds such agency receives from appropriations made under section 401(b) will be distributed among local educational agencies on an equitable basis recognizing the competitive nature of the grantmaking except that the State educational agency shall provide assistance in formulating proposals and in operating programs to local educational agencies which are less able to compete due to small size or lack of local financial resources; and the State plan shall set forth the specific criteria the State educational agency has developed and will apply to meet the requirements of this paragraph;

(5) provides that each local educational agency will be given complete discretion (subject to the provisions of section 406) in determining how the funds it receives from appropriations made under section 401(a) will be divided among the various programs described in section 421, except that, in the first year in which appropriations are made pursuant to part B, each local educational agency will be given complete discretion with respect to 50 per centum of the funds appropriated for that part attributable to that local educational agency;

(6) provides for the adoption of effective procedures (A) for an evaluation by the State advisory council, at least annually, of the effectiveness of the program and projects assisted under the State plan, (B) for the appropriate dissemination of the results of such evaluations and other information pertaining to such programs or projects, and (C) for the adoption, where appropriate, of promising educational practices developed through innovative programs supported under part C;

(7) provides that local educational agencies applying for funds under any program under this title shall be required to submit only one application for such funds any one fiscal year;

(8) provides—

(A) that, of the funds the State receives under section 401 for the first fiscal year for which such funds are available, such agency will use for administration of the State plan not to exceed whichever is greater (i) 5 per centum of the amount so received ($50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 431(a)(3), or (ii) the amount it received for the fiscal year ending June 30, 1973, for administration of the programs referred to in sections 421(b) and 431(b), and that the remainder of such funds shall be made available to local educational agencies to be used for the purposes of parts B and C, respectively; and that, of the funds the State receives under section 401 for fiscal years thereafter, it will use for administration of the State plan not to exceed whichever is greater (i) 5 per centum of the amount so received ($50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 431(a)(3), or (ii) $225,000, and that the remainder of such funds shall be made available to local educational agencies to be used for purposes of parts B and C, respectively.

(B) that not less than 15 per centum of the amount received pursuant to section 401(b) in any fiscal year (not including any amount used for purposes of section 431(a)(3)) shall be used for special programs or projects for the education of children with specific learning disabilities and handicapped children, and

(C) that not more than the greater of (i) 15 per centum of the amount which such State receives pursuant to section 401(b) in any fiscal year, or (ii) the amount available by appropriation to such State in the fiscal year ending June 30, 1973, for purposes covered by section 431(a)(3), shall be used for purposes of section 431(a)(3) (relating to strengthening State and local educational agencies);

(9) provides assurances that in the case of any project for the repair, remodeling, or construction of facilities, that the facilities shall be accessible to and usable by handicapped persons;

(10) sets forth policies and procedures which give satisfactory assurance that Federal funds made available under this title for any fiscal year will not be commingled with State funds; and

(11) gives satisfactory assurance that the [aggregate] amount to be expended by the State [and], *its local educational agencies, and private schools in such State* from funds derived from non-Federal sources for programs described [in section 421(a) for a fiscal year will not be] *under this title for the preceding fiscal year were not* less than the amount so expended for the *second* preceding fiscal year.

(b)(1) The State advisory council, established pursuant to subsection (a), shall—

(A) be appointed by the State educational agency or as otherwise provided by State law and be broadly representative of the cultural and educational resources of the State (as defined in section 432) and of the public, including persons representative of—

(i) public and private elementary and secondary schools,

(ii) institutions of higher education, and

(iii) fields of professional competence in dealing with children needing special education because of physical or mental handicaps, specific learning disabilities, severe educational disadvantage, and limited English-speaking ability or because they are gifted or talented, and of professional competence in guidance and counseling;

(B) advise the State educational agency on the preparation of, and policy matters arising in the administration of, the State plan, including the development of criteria for the distribution of funds and the approval of applications for assistance under this title;

(C) evaluate all programs and projects assisted under this title; and

(D) prepare at least annually and submit through the State educational agency a report of its activities, recommendations and evaluations, together with such additional comments as the State educational agency deems appropriate, to the Commissioner.

(2) Not less than ninety days prior to the beginning of any fiscal year for which funds will be available for carrying out this title, each State shall certify the establishment of, and membership of (including the name of the person designated as Chairman), its State advisory council to the Commissioner.

(3) Each State advisory council shall meet within thirty days after certification has been accepted by the Commissioner and establish the time, place, and manner of its future meetings, except that such council shall have not less than one public meeting each year at which the public is given an opportunity to express views concerning the administration and operation of this title.

(4) Each State advisory council shall be authorized to obtain the services of such professional, technical, and clerical personnel, and to contract for such other services as may be necessary to enable them to carry out their functions under this title, and the Commissioner shall assure that funds sufficient for these purposes are made available to each council from funds available for administration of the State plan.

(c) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsections (a) and (b) of this section.

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TITLE III—ADULT EDUCATION

SHORT TITLE

Sec. 301. This title may be cited as the "Adult Education Act".

PAYMENTS

Sec. 307. (a) Except as provided in subsection (b), the Federal share of expenditures to carry out a State plan shall be paid from a State's allotment available for grants to such State. The Federal share for each State shall be 90 per centum, except that with respect to the Trust Territory of the Pacific Islands, such Federal share shall be 100 per centum.

(b) No payment shall be made to any State from its allotment for any fiscal year unless the Commissioner finds that the amount available for expenditure by such State for adult education from non-Federal sources **[**for such year will be**]** *for the preceding fiscal year was* not less than the amount expended for such purposes from such sources during the second preceding fiscal year, but no State shall be required to use its funds to supplant any portion of the Federal share.

Sec. 324—Participation of Nonpublic Schoolchildren

PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

Sec. 406. (a) To the extent consistent with the number of children in the school district of a local educational agency (which is a recipient of funds under this title or which serves the area in which a program or project assisted under this title is located) who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with the appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral and nonideological services, materials, and equipment including the repair, minor remodeling, or construction of public school facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such services, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this title.

(b) Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors (pursuant to criteria supplied by the Commissioner) which relate to such expenditures, and when funds available to a local educational agency under this title are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance areas, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

(c)(1) The control of funds provided under this title and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property.

(2) The provisions of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services is independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this title shall not be commingled with State or local funds.

(d) If a State is prohibited by law from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

(e) If the Commissioner determines that a State or a local educational agency has substantially failed to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, he *may waive such requirements and* shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

(f) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services from the appropriate allotment of the State under this title.

(g)(1) The Commissioner shall not take any final action under this section until he has afforded the State educational agency and local educational agency affected by such action at least sixty days notice of his proposed action and an opportunity for a hearing with respect thereto on the record.

(2) If a State or local educational agency is dissatisfied with the Commissioner's final action after a hearing under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(3) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(4) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

Sec. 325—School Attendance Areas for Aid to Elementary and Secondary Schools

PART II—ELEMENTARY AND SECONDARY PROGRAMS

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

TITLE I—FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF CHILDREN OF LOW-INCOME FAMILIES

* * * * * * *

Part D.—General Provisions

APPLICATION

Sec. 141 (a) A local educational agency may receive a grant under this title for any fiscal year only upon application therefor approved by the appropriate State educational agency, upon its determination (consistent with such basic criteria as the Commissioner may establish)—

(1) that payment under this title will be used for the excess costs of programs and projects (including the acquisition of

equipment, payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools eligible for assistance under this title, the training of teachers, and, where necessary, the construction of school facilities and plans made or to be made for such programs, projects, and facilities) (A) which are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families *and such children previously in school attendance areas having high concentrations of children from low-income families transferred to a school outside such an area as a result of a desegration order* (and at the discretion of the local educational agency, in any school of such agency not located in such a school attendance area, at which the proportion of children in actual average daily attendance from low-income families is substantially the same as the proportion of such children in such an area of that agency) and (B) which are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting those needs and to this end involve an expenditure of not less than $2,500, except that the State educational agency may with respect to any applicant reduce the $2,500 requirement if it determines that it would be impossible, for reasons such as distance or difficulty of travel, for the applicant to join effectively with other local educational agencies for the purpose of meeting the requirement; and nothing herein shall be deemed to preclude two or more local educational agencies from entering into agreements, at their option, for carrying out jointly operated programs and projects under this title: *Provided*, That the amount used for plans for any fiscal year shall not exceed 1 per centum of the amount determined for that agency for that year pursuant to section 103 or $2,000, whichever is greater;

(2) that the local educational agency has provided satisfactory assurance that section 141A will be complied with;

(3) That (A) the total educational agency has provided satisfactory assurance that the control of funds provided under this title, and title to property derived therefrom, shall be in a public agency for the uses and purposes provided in this title and that a public agency will administer such funds and property, (B) Federal funds made available under this title will be so used (i) as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under this title, and (ii) in no case, as to supplant such funds from non-Federal sources, and (C) State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this title: *Provided*, That any finding of noncompliance with this clause shall not affect the payment of funds to any local educational agency until the fiscal year beginning July 1, 1972, and *Provided further*, That each local educational agency receiving funds under this title shall report on or before July 1, 1971, and

on or before July 1 of each year thereafter with respect to its compliance with this clause; [1]

(4) In the case of any project for construction of school facilities, that the project is not inconsistent with overall State plans for the construction of school faciliies and that the requirements of section 433 of the General Education Provisions Act will be complied with on all such construction projects;

(5) In the case of an application for payments for planning, (A) that the planning was or will be directly related to programs or projects to be carried out under this title and has resulted, or is reasonably likely to result in a program or project which will be carried out under this title, and (B) that planning funds are needed because of the innovative nature of the program or project or because the local educational agency lacks the resources necessary to plan adequately for programs and projects to be carried out under this title;

(6) That effective procedures, including provisions for appropriate objective measurements of educational achievement, will be adopted for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of educationally deprived children;

(7) That the local educational agency will make an annual report and such other reports to the State educational agency, in such form and containing such information (which in the case of reports relating to performance is in accordance with specific performance criteria related to program objectives), as may be reasonably necessary to enable the State educational agency to perform its duties under this title, including information relating to the educational achievement of students participating in programs carried out under this title, and will keep such records and afford such access thereto as the State educational agency may find necessary to assure the correctness and verification of such reports;

(8) That the local educational agency is making the application and all pertinent documents related thereto available to parents and other members of the general public and that all evaluations and reports required under paragraph (7) shall be public information;

(9) In the case of a project for the construction of school facilities, that, in developing plans for such facilities due consideration has been given to compliance with such standards as the Secretary may prescribe or approve in order to insure that facilities constructed with the use of Federal funds under this title shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons;

(10) That effective procedures will be adopted for acquiring and disseminating to teachers and administrators significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects;

(11) In the case of a project for the construction of school facilities, that, in developing plans for such facilities, due con-

sideration has been given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project);

(12) In the case of projects involving the use of education aides, the local educational agency sets forth well-developed plans providing for coordinated programs of training in which education aides and the professional staff whom they are assisting will participate together;

(13) That, where a school attendance area does not meet the requirement of paragraph (1)(A) of this subsection for a fiscal year, or in the case of a local educational agency electing to allocate funds under section 140, where such an area does not meet the requirement of that section, but did meet the appropriations.

(14) That the local educational agency shall establish an advisory council for the entire school district and shall establish an advisory council for each school of such agency served by a program or project assisted under section 143(a)(2), each of which advisory councils—

(A) has as a majority of its members parents of the children to be served,

(B) is composed of members selected by the parents in each school attendance area,

(C) has been given responsibility by such agency for advising it in the planning for, and the implementation and evaluation of, such programs and projects, and

(D) is provided by such agency, in accordance with regulations of the Commissioner, with access to appropriate information concerning such programs and projects.

(b) It is the intent of the Congress to encourage, where feasible, the development for each educationally deprived child participating in a program under this title of an individualized written educational plan (maintained and periodically evaluated), agreed upon jointly by the local educational agency, a parent or guardian of the child, and when appropriate, the child.

(c) The State educational agency shall not finally disapprove in whole or in part any application for funds under this title without first affording the local educational agency submitting the application reasonable notice and opportunity for a hearing.

SEC. 326—WOMEN'S EDUCATIONAL EQUITY

SEC. 408. (a) This section may be cited as the "Women's Educational Equity Act of 1974."

(b)(1) The Congress hereby finds and declares that educational programs in the United States (including its possessions), as presently conducted, are frequently inequitable as such programs relate to women and frequently limit the full participation of all individuals in American society.

(2) It is the purpose of this section to provide educational equity for women in the United States.

(c) As used in this section, the term "Council" means the Advisory Council on Women's Educational Programs.

(d)(1) The Commissioner is authorized to make grants to, and enter into contracts with, public agencies and private nonprofit organizations and with individuals for activities designed to carry out the purposes of this section at all levels of education, including preschool elementary and secondary education, higher education, and adult education. These activities shall include—

(A) the development, evaluation, and dissemination by the applicant of curricula, textbooks, and other educational materials related to educational equity;

(B) preservice and inservice training for educational personnel including guidance and counseling with special emphasis on programs and activities designed to provide educational equity;

(C) research, development, and educational activities designed to advance educational equity;

(D) guidance and counseling activities, including the development of nondiscriminatory tests, designed to assure educational equity;

(E) educational activities to increase opportunities for adult women, including continuing educational activities and programs for underemployed and unemployed women;

(F) the expansion and improvement of educational programs and activities for women in vocational education, career education, physical education, and educational administration.

(2) A grant may be made and a contract may be entered into under this section only upon application to the Commissioner, at such time, in such form, and containing or accompanied by such information as the Commissioner may prescribe. Each such application shall—

(A) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant;

(B) describe a program for carrying out one of the purposes set forth in subsection (a) which holds promise of making a substantial contribution toward attaining such purposes; and

(C) set forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application.

(3) The Commissioner shall approve applicants and amendments thereto which meet the requirements of paragraph (2).

(4) Nothing in this section shall be construed as prohibiting men from participating in any programs or activities assisted under this section.

(e) In addition to the authority of the Commissioner under subsection (d), the Commissioner shall carry out a program of small grants, not to exceed $15,000, each, in order to support innovative approaches to achieving the purposes of this section; and for that purpose the Commissioner is authorized to make grants to public and private nonprofit agencies and to individuals.

(f)(1) There is established in the Office of Education an *National* Advisory Council on Women's Educational Programs. The Council shall be composed of—

(A) seventeen individuals, some of whom shall be students, who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals broadly representative of the general public who, by virtue of their knowledge or experience, are versed in the role and status of women in American society;

(B) the Chairman of the Civil Rights Commission;

(C) the Director of the Women's Bureau of the Department of Labor; and

(D) the Director of the Women's Action Program of the Department of Health, Education, and Welfare.

The Council shall elect its own Chairman.

(2) The term of office of each member of the Council appointed under clause (A) of paragraph (1) shall be three years, except that—

(A) the members first appointed under such clause shall serve as designated by the President, six for a term of one year, five for a term of two years, and six for a term of three years; and

(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(3) The Council shall—

(A) advise the Commissioner with respect to general policy matters relating to the administration of this section;

(B) advise and make recommendations to the Assistant Secretary concerning the improvement of educational equity for women;

(C) make recommendations to the Commissioner with respect to the allocation of any funds pursuant to this section, including criteria developed to insure an appropriate geographical distribution of approved programs and projects throughout the Nation; **[**and**]**

(D) develop criteria for the establishment of program priorities**[**.**]***;*

(E) make such reports as he determines appropriate to the President and the Congress on the activities of the Advisory Council; and

(F) disseminate information concerning the activities of the Advisory Council under this section.

(4) From the sums available for the purposes of this section, the Commissioner is authorized and directed to conduct a national, comprehensive review of sex discrimination in education, to be submitted to the Council not later than a year after the date of enactment of this section. The Council shall review the report of the Commissioner and shall make such recommendations, including recommendations for additional legislation, as it deems advisable.

(5) The provisions of part D of the General Education Provisions Act shall apply with respect to the Council established under this subsection.

(g) The Commissioner is directed, at the end of each fiscal year, to submit to the President and the Congress and to the Council a report setting forth the programs and activities assisted under this section, and to provide for the distribution of this report to all interested groups and individuals, including the Congress, from funds authorized under this section. After receiving the report from the Commissioner, the Council shall evaluate the programs and projects assisted under this section and include such evaluation in its annual report.

(h) For the purpose of carrying out this section, the Commissioner is authorized to expend not to exceed $30,000,000 for each fiscal year prior to July 1, 1978.

WAYNE MORSE CHAIR OF LAW AND POLITICS AT THE UNIVERITY OF OREGON

SEC. 327. (a) The Commissioner of Education (hereinafter referred to as the "Commissioner") is authorized to provide financial assistance in accordance with the provisions of this section to assist in establishing the Wayne Morse Chair of Law and Politics at the University of Oregon, of Eugene, Oregon.

(b) (1) For the purposes of this section the Federal share of the cost of establishing the Wayne Morse Chair of Law and Politics shall not exceed 66⅔ percent.

(2) No financial assistance under this section may be made except upon an application at such time, in such manner, and containing or accompanied by such information as the Commissioner may reasonably require.

(c) There are authorized to be appropriated such sums, not to exceed $500,000, as may be necessary to carry out the provisions of this section. Funds appropriated pursuant to this section shall remain available until expended.

SEC. 401—REORGANIZATION OF THE EDUCATION DIVISION

SEC. 400. (a) This title may be cited as the "General Education Provisions Act."

(b) Except where otherwise specified, the provisions of this title shall apply to any program for which an administrative head of an education agency has administrative responsibility as provided by law or by delegation of authority pursuant to law.

(c) (1) For the purposes of this title, the term—

(A) "applicable program" means any program to which this title is, under the terms of subsection (b), applicable:

(B) "applicable statute" means—

(i) the Act or the title, part of section of an Act, as the case may be, which authorizes the appropriation for an applicable program:

(ii) this title: and

(iii) any other statute which under its terms expressly controls the administration of an applicable program;

[(C) "Assistant Secretary" means the Assistant Secretary of Health, Education, and Welfare for Education:**]**

[(D)**]** *(C)* "Commissioner" means the Commissioner of Education;

[(E)**]** *(D)* "Director" means the Director of the National Institute of Education; and

[(F)**]** *(E)* "Secretary" means the Secretary of Health, Education, and Welfare.

(2) Nothing in this title shall be construed to affect the applicability of the Civil Rights Act of 1964 to any program subject to the provisions of this title.

(3) No Act making appropriations to carry out an applicable program shall be considered an applicable statute.

(d) Except as otherwise limited in this title, there are authorized to be appropriated for any fiscal year such sums as may be necessary to carry out the provisions of this title.

(e)(1) The aggregate of the appropriations to the agencies in the Education Division and to the Office of the [Assistant Secretary] *Commissioner* for any fiscal year shall not exceed the limitations set forth that fiscal year in subparagraph (2).

(2)(A) Expect as is provided in subparagraph (B), the appropriations to which paragraph (1) applies—

(i) shall not exceed $7,500,000,000 for the fiscal year ending June 30, 1975, $8,000,000,000 for the fiscal year ending June 30, 1976, and $9,000,000,000 for fiscal year ending June 30, 1977; and

(ii) shall not exceed such amounts as may be authorized by the law and limited by this subparagraph.

(B) The limitations set forth in subparagraph (A) shall not apply—

(i) to uncontrollable expenditures under obligations created under part B of title IV of the Higher Education Act of 1965, parts C and D of title VII of such Act, and the Emergency Insured Student Loan Act of 1969; and

(ii) to any other expenditure under an obligation determined by the Commissioner pursuant to, or in accordance with, law to be an uncontrollable expenditure of the Office of Education.

Part A—Education Division of the Department of Health, Education, and Welfare

THE EDUCATION DIVISION

Sec. 401. (a) There shall be, within the Department of Health, Education, and Welfare, and Education Division, composed of the agencies listed in subsection (b), which shall be headed by the [Assistant Secretary] *Commissioner*.

(b)(1) The Education Division shall be composed of the following agencies:

(A) The Office of Education; and

(B) The National Institute of Education.

(2) In the Office of the [Assistant Secretary] *Commissioner* there shall be a National Center for Education Statistics.

ASSISTANT SECRETARY FOR EDUCATION

[Sec. 402. (a) There shall be in the Department of Health, Education, and Welfare an Assistant Secretary for Education, who shall be appointed by the President by and with the advice and consent of the Senate. The Assistant Secretary for Education shall be compensated at the rate specified for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

[(b) The Assistant Secretary shall be the principal officer in the Department to whom the Secretary shall assign responsibilities for the direction and supervision of the Education Division.]

COMMISSIONER OF EDUCATION

Sec. 402. (a) There shall be in the Department of Health, Education, and Welfare a Commissioner of Education, who shall be appointed by the President, by and with the advice and consent of the Senate. The Commissioner shall be compensated at the rate specified for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(b) The Commissioner shall be the principal officer in the Department with responsibility for education programs and for the direction and supervision of the Education Division.

THE OFFICE OF EDUCATION

Sec. 403. (a) There shall be an Office of Education (hereinafter in this section referred to as the 'Office') which shall be the primary agency of the Federal Government responsible for the administration of programs of financial assistance to educational agencies, institutions, and organizations. The Office shall have such responsibilities and authorities as may be vested in the Commissioner by law or delegated to the Commissioner in accordance with law.

[(b) The Office shall be headed by the Commissioner of Education who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be subject to the direction and supervision of the Secretary.]

(b)(1) The Office shall be headed by the Commissioner. There shall be in the Office an Administrative Deputy Commissioner of Education, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrative Deputy Commissioner shall be compensated at the rate specified for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(2) Subject to the general supervision and direction of the Commissioner, the Administrative Deputy Commissioner shall be responsible for the daily operation of the Office and shall perform such functions as the Commissioner shall prescribe.

(c)(1) The Office shall, consistent with such organization thereof which is provided by law, be divided into bureaus, and such bureaus shall be divided into divisions as the Commissioner determines appropriate.

(2)(A) There shall be regional offices of the Office established in such places as the Commissioner [, after consultation with the Assistant Secretary,] shall determine. Such regional offices shall carry out such functions as are specified in subparagraph (B).

(B) The regional offices shall serve as centers for the dissemination of information about the activities of the agencies in the Education Division and provide technical assistance to State and local educational agencies, institutions of higher education, and other educational agencies, institutions, and organizations and to individuals and other groups having an interest in Federal education activities.

(C) The Commissioner shall not delegate to any employee in any regional office any function which was not carried out, in accordance with regulations effective prior to June 1, 1973, by employees in such offices unless the delegation of such function to employees in regional offices is expressly authorized by law enacted after the enactment of the Education Amendments of 1974.[1]

(3) The Commissioner shall submit to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than November 1 of each year a report on the personnel needs and assignments of the Office. Such report shall include a description (A) of the manner in which the Office is organized and the personnel of the Office are assigned to the various functions of that agency and (B) of personnel needs of that agency in order to enable it to carry out its functions, as authorized by law.

TITLE VII—EMERGENCY SCHOOL AID[1]

SHORT TITLE

SEC. 701. This title may be cited as the "Emergency School Aid Act."

FINDINGS AND PURPOSE

SEC. 702. (a) The Congress finds that the process of eliminating or preventing minority group isolation and improving the quality of education for all children often involves the expenditures of additional funds to which local educational agencies do not have access.

(b) The purpose of this title is to provide financial assistance—

(1) to meet the special needs incident to the elimination of minority group segregation and discrimination among students and faculty in elementary and secondary schools;

(2) to encourage the voluntary elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial proportions of minority group students; and

(3) to aid school children in overcoming the educational disadvantages of minority group isolation.

POLICY WITH RESPECT TO THE APPLICATION OF CERTAIN PROVISIONS OF FEDERAL LAW

SEC. 703. (a) It is the policy of the United States that guidelines and criteria established pursuant to this title shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation.

(b) It is the policy of the United States that guidelines and criteria established pursuant to title VI of the Civil Rights Act of 1964 and section 182 of the Elementary and Secondary Education Amendments of 1966 shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race whether de jure or de facto in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation.

APPROPRIATIONS

SEC. 704. (a) The [Assistant Secretary] *Commissioner* shall, in accordance with the provisions of this title, carry out a program designed to achieve the purpose set forth in section 702(b). There are authorized to be appropriated for the purpose of carrying out this title, $1,000,000,000 for the fiscal year ending June 30, 1973, and $1,000,000,000 for the period ending June 30, 1976. Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

From the sums appropriated pursuant to subsection (a) for any fiscal year, the [Assistant Secretary] *Commissioner* shall reserve an amount equal to 13 per centum thereof for the purposes of sections 708 (a) and (c), 711, and 713, of which—

(A) not less than an amount equal to 4 per centum of such sums shall be for the purposes of section 708(c); and

(B) not less than an amount equal to 3 per centum of such sums shall be for the purposes of section 711.

APPORTIONMENT AMONG STATES

SEC. 705. (a)(1) From the sums appropriated pursuant to section 704(a) which are not reserved under section 704(b) for any fiscal year, the [Assistant Secretary] *Commissioner* shall apportion to each State for grants and contracts within that State $75,000 plus an amount which bears the same ratio to such sums as to the number of minority group children aged 5–17, inclusive, in that State bears to the number of such children in all States except that the amount apportioned to any State shall not be less than $100,000. The number of such children in each State and in all of the States shall be determined by the [Assistant Secretary] *Commissioner* on the basis of the most recent available data satisfactory to him.

(2) The [Assistant Secretary] *Commissioner* shall, in accordance with criteria established by regulation, reserve not in excess of 15 per centum of the sums appropriated pursuant to subsection 704(a) for grants to, and contracts with, local, educational agencies in each State pursuant to section 706(b) to be apportioned to each State in accordance with paragraph (1) of this subsection.

(3) The [Assistant Secretary] *Commissioner* shall reserve 8 per centum of the sums appropriated pursuant to subsection 704(a) for the purpose of section 708(b) to be apportioned to each State in accordance with paragraph (1) of this subsection.

(b)(1) The amount by which any apportionment to a State for a fiscal year under subsection (a) exceeds the amount which the [Assistant Secretary] *Commissioner* determines will be required for such fiscal year for programs or projects within such State shall be available for reapportionment to other States in proportion to the original apportionments to such States under subsection (a) for that year, but with such proportionate amount for any such State being reduced to the extent it exceeds the sum the [Assistant Secretary] *Commissioner* estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reapportioned among the States whose proportionate amounts were not so reduced. Any amounts reapportioned to a State under this subsection during a fiscal year shall be deemed part of its apportionment under subsection (a) for such year.

(2) In order to afford ample opportunity for all eligible applicants in a State to submit applications for assistance under this title, the [Assistant Secretary] *Commissioner* shall not fix a date for reapportionment, pursuant to this subsection, of any portion of any apportionment to a State for a fiscal year which date is earlier than sixty days prior to the end of such fiscal year.

(3) Notwithstanding the provisions of paragraph (1) of this subsection, no portion of any apportionment to a State for a fiscal year shall be available for reapportionment pursuant to this subsection unless the [Assistant Secretary] *Commissioner* determines that the applications for assistance under this title which have been filed by eligible applicants in that State for which a portion of such apportionment has not been reserved (but which would necessitate use of that portion) are applications which do not meet the requirements of this title, as set forth in sections 706, 707, and 710, or which set forth programs or projects of such insufficient promise for achieving the purpose of this title stated in section 702(b) that their approval is not warranted.

ELIGIBILITY FOR ASSISTANCE

SEC. 706. (a)(1) The [Assistant Secretary] *Commissioner* is authorized to make a grant to, or a contract with, a local educational agency—

(A) which is implementing a plan—

(i) which has been undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and which requires the desegregation of minority group segregated children or faculty in the elementary and secondary schools of such agency, or otherwise requires the elimination or reduction of minority group isolation in such schools; or

(ii) which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority group segregated children or faculty in such schools; or

(B) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this title, adopt and implement, a plan for the complete elimination of minority group isolation in all the minority group isolated schools of such agency; or

(C) which has adopted and is implementing, or will, if assistance is made available to it under this Act, adopt and implement, a plan—

(i) to eliminate or reduce minority group isolation in one or more of the minority group isolated schools of such agency,

(ii) to reduce the total number of minority group children who are in minority group isolated schools of such agency, or

(iii) to prevent minority group isolation reasonably likely to occur (in the absence of assistance under this title) in any school in such district in which school at least 20 per centum but not more than 50 per centum, of the enrollment consists of such children, or

(D) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this title, adopt and implement a plan to enroll and educate in the schools of such agency children who would not otherwise be eligible for enrollment because of nonresidence in the school district of such agency, where such enrollment would make a significant contribution toward reducing minority group isolation in one or more of the school districts to which such plan relates; or

(E) which will establish or maintain one or more integrated schools as defined in section 720(7) and which—

(i) has a sufficient number of minority group children to comprise more than 50 per centum of the number of children in attendance at the schools of such agency, and

(ii) has agreed to apply for an equal amount of assistance under section (b).

(2)(A) The **[**Assistant Secretary**]** *Commissioner* is authorized, in accordance with special eligibility criteria established by regulation for the purposes of this paragraph, to make grants to, and contracts with, local educational agencies for the purposes of section 709(a)(1).

(B) A local educational agency shall be eligible for assistance under this paragraph only if—

(i) such agency is located within, or adjacent to, a Standard Metropolitan Statistical Area:

(ii) the schools of such agency are not attended by minority group children in a significant number or proportion; and

(iii) such local educational agency has made joint arrangements with a local educational agency, located within that Standard Metropolitan Statistical Area, and the schools of which are attended by minority group children in a significant proportion, for the establishment or maintenance of one or more integrated schools as provided in section 720(6).

(b) The **[**Assistant Secretary**]** *Commissioner* is authorized to make grants to, or contracts with, local educational agencies, which are eligible under subsection (a)(1), for unusually promising pilot programs or projects designed to overcome the adverse effects of minority group isolation by improving the academic achievement of children in one or more minority group isolated schools, if he determines that the local educational agency had a number of minority group children enrolled in its schools, for the fiscal year preceding the fiscal year for which assistance is to be provided, which (1) is at least 15,000, or

(2) constitutes more than 50 per centum of the total number of children enrolled in such schools.

(c) No local educational agency making application under this section shall be eligible to receive a grant or contract in an amount in excess of the amount determined by the **[**Assistant Secretary**]** *Commissioner*, in accordance with regulations setting forth criteria established for such purpose, to be the additional cost to the applicant arising out of activities authorized under this title, above that of the activities normally carried out by the local educational agency.

(d)(1) No educational agency shall be eligible for assistance under this title if it has, after the date of enactment of this title —

(A) transferred (directly or indirectly by gift, lease, loan, sale, or other means) real or personal property to, or made any services available to, any transferee which it knew or reasonably should have known to be a nonpublic school or school system (or any organization controling, or intending to estabish, such a school or school system) without prior determination that such nonpublic school or school system (i) is not operated on a racially segregated basis as an alternative for children seeking to avoid attendance in desegrated public schools, and (ii) does not otherwise practice, or permit to be practiced, discrimination on the basis of race, color, or national origin in the operation of any school activity;

(B) had in effect any practice, policy, or procedure which results in the disproportionate demotion or dismissal of instructional or other personnel from minority groups in conjunction with desegregation or the implementation of any plan or the conduct of any activity described in this section, or otherwise engaged in discrimination based upon race, color, or national origin in the hiring, promotion, or assignment of employees of the agency (or other personnel for whom the agency has any administrative responsibility);

(C) in conjunction with desegration or the conduct of an activity described in this section, had in effect any procedure for the assignment of children to or within classes which results in the separation of minority group from nonminority group children for a substantial portion of the school day, except that this clause does not prohibit the use of bona fide ability grouping by a local education agency as a standard pedagogical practice; or

(D) had in effect any other practice, policy, or procedure, such as limiting curricular or extracurricular activities (or participation therein by children) in order to avoid the participation of minority group children in such activities, which discriminates among children on the basis of race, color, or national origin;

except that, in the case of any local educational agency which is ineligible for assistance by reason of clause (A), (B), (C), or (D), such agency may make application for a waiver of ineligibility, which application shall specify the reason for its ineligibility, contain such information and assurances as the Secretary shall require by regulation in order to insure that any practice, policy, or procedure, or other activity resulting in the ineligibility has ceased to exit or occur and include such provisions as are necessary to insure that such activities do not reoccur after the submission of the application.

(2) Applications for waivers under paragraph (1) may be approved only by the Secretary. The Secretary's functions under this paragraph shall, notwithstanding any other provision of law, not be delegated.

(3) Applications for waiver shall be granted by the Secretary upon determination that any practice, policy, procedure or other activity resulting in ineligibility has ceased to exist, and that the applicant has given satisfactory assurance that the activities prohibited in this subsection will not reoccur.

(4) No application for assistance under this title shall be approved prior to a determination by the Secretary that the applicant is not ineligible by reason of this subsection.

(5) All determinations pursuant to this subsection shall be carried out in accordance with criteria and investigative procedures established by regulations of the Secretary for the purpose of compliance with this subsection.

(6) All determinations and waivers pursuant to this subsection shall be in writing. The Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives shall each be given notice of an intention to grant any waiver under this subsection, which notice shall be accompanied by a copy of the proposed waiver for which notice is given and copies of all determinations relating to such waiver. The [Assistant Secretary] *Commissioner* shall not approve an application by a local educational agency which requires a waiver under this subsection prior to 15 days after receipt of the notice required by the preceding sentence by the chairman of the Committee on Labor and Public Welfare of the Senate and the chairman of the Committee on Education and Labor of the House of Representatives.

AUTHORIZED ACTIVITIES

SEC. 707. (a) Financial assistance under this title (except as provided by sections 708, 709, and 711) shall be available for programs and projects which would not otherwise be funded and which involve activities designed to carry out the purpose of this title stated in section 702(b):

(1) Remedial services, beyond those provided under the regular school program conducted by the local educational agency, including student to student tutoring, to meet the special needs of children (including gifted and talented children) in schools which are affected by a plan or activity described in section 706 or a program described in section 708, when such services are deemed necessary to the success of such plan, activity, or program.

(2) The provision of additional professional or other staff members (including staff members specially trained in problems incident to desegregation or the elimination, reduction, or prevention of minority group isolation) and the training and retraining of staff for such schools.

(3) Recruiting, hiring, and training of teacher aides, provided that in recruiting teacher aides, preference shall be given to parents of children attending schools assisted under this title.

(4) Inservice teacher training designed to enhance the success of schools assisted under this title through contracts with institutions of higher education, or other institutions, agencies, and organizations individually determined by the [Assistant Secretary] *Commissioner* to have special competence for such purpose.

(5) Comprehensive guidance, counseling, and other personal services for such children.

(6) The development and use of new curricula and instructional methods, practices, and techniques (and the acquisition of instructional materials relating thereto) to support a program of instruction for children from all racial, ethnic, and economic backgrounds, including instruction in the language and cultural heritage of minority groups.

(7) Educational programs using shared facilities for career education and other specialized activities.

(8) Innovative interracial educational programs or projects involving the joint participation of minority group children and other children attending different schools, including extracurricular activities and cooperative exchanges or other arrangements between schools within the same or different school districts.

(9) Community activities, including public information efforts, in support of a plan, program, project, or activity described in this title.

(10) Administrative and auxiliary services to facilitate the success of the program, project, or activity.

(11) Planning programs, projects, or activities under this title, the evaluation of such programs, projects, or activities, and dissemination of information with respect to such programs, projects, or activities.

(12) Repair or minor remodeling or alteration of existing school facilities (including the acquisition, installation, modernization, or replacement of instructional equipment) and the lease or purchase of mobile classroom units or other mobile education facilities.

In the case of programs, projects, or activities involving activities described in paragraph (12), the inclusion of such activities must be found to be a necessary component of, or necessary to facilitate, a program or project involving other activities described in this subsection or subsection (b), and in no case involve an expenditure in excess of 10 per centum of the amount made available to the applicant to carry out the program, project, or activity. The [Assistant Secretary] *Commissioner* shall by regulation define the term "repair or minor remodeling or alteration".

(b) Sums reserved under section 705(a)(2) with respect to any State shall be available for grants to, and contracts with, local educational agencies in that State making application for assistance under section 706(b) to carry out innovative pilot programs and projects which are specifically designed to assist in overcoming the adverse effects of minority group isolation, by improving the educational achievement of children in minority group isolated schools, including only the activities described in paragraphs (1) through (12) of subsection (a), as they may be used to accomplish such purpose.

SPECIAL PROGRAMS AND PROJECTS

SEC. 708. (a)(1) Amounts reserved by the [Assistant Secretary] *Commissioner* pursuant to section 704(b)(2), which are not designated for the purposes of clause (A) or (B) thereof, or for section 713 shall be available to him for grants and contracts under this subsection.

(2) The [Assistant Secretary] *Commissioner* is authorized to make grants to, and contracts with, State and local educational agencies, and other public agencies and organizations (or a combination of such agencies and organizations) for the purpose of conducting special programs and projects carrying out activities otherwise authorized by this title, which the [Assistant Secretary] *Commissioner* determines will make substantial progress toward achieving the purposes of this title.

(3) The [Assistant Secretary] *Commissioner* is authorized to make grants to, and contracts with, one or more private, nonprofit agencies, institutions, or organizations, for the conduct, in cooperation with one or more local educational agencies, of special programs for the teaching of standard mathematics to children eligible for services under this Act through instruction in advanced mathematics by qualified instructors with bachelor degrees in mathematics, or the mathematical sciences from colleges or other institutions of higher education, or equivalent experience.

(b)(1) From not more than one-half of the sums reserved pursuant to section 705(a)(3), the [Assistant Secretary] *Commissioner* in cases in which he finds that it would effectively carry out the purpose of this title stated in section 702(b), may assist by grant or contract any public or private nonprofit agency, institution, or organization (other than a local educational agency) to carry out programs or projects designed to support the development or implementation of a plan, program, or activity described in section 706.

(2) From the remainder of the sums reserved pursuant to section 705(a)(3), the [Assistant Secretary] *Commissioner* is authorized to make grants to, and contracts with, public and private nonprofit agencies, institutions, and organizations (other than local educational agencies and nonpublic elementary and secondary schools) to carry out programs or projects designed to support the development or implementation of a plan, program, or activity described in section 706.

(c)(1) The [Assistant Secretary] *Commissioner* shall carry out a program to meet the needs of minority group children who are from an environment in which a dominant language is other than English and who, because of language barriers and cultural differences, do not have equality of educational opportunity. From the amount reserved pursuant to section 704(b)(2)(A), the [Assistant Secretary] *Commissioner* is authorized to make grants to, and contracts with—

(A) private nonprofit agencies, institutions, and organizations to develop curricula, at the request of one or more educational agencies which are eligible for assistance under section 706, designed to meet the special educational needs of minority group children who are from environments in which a dominant language is other than English, for the development of reading, writing, and speaking skills, in the English language and in the language of their parents or grandparents, and to meet the educational needs of such children and their classmates to understand the history and cultural background of the minority groups of which such children are members;

(B) local educational agencies eligible for assistance under section 706 for the purpose of engaging in such activities; or

(C) local educational agencies which are eligible to receive assistance under section 706, for the purpose of carrying out activities authorized under section 707(a) of this title to implement curricula developed under clauses (A) and (B) or curricula otherwise developed which the Assistant Secretary determines meets the purposes stated in clause (A).

In making grants and contracts under this paragraph, the [Assistant Secretary] *Commissioner* shall assure that sufficient funds from the amount reserved pursuant to section 704(b)(2)(A) remain available to provide for grants and contracts under clause (C) of this paragraph for implementation of such curricula as the [Assistant Secretary] *Commissioner* determines meet the purposes stated in clause (A) of this paragraph. In making a grant or contract under clause (C) of this paragraph, the [Assistant Secretary] *Commissioner* shall take whatever action is necessary to assure that the implementation plan includes provisions adequate to insure training of teachers and other ancillary educational personnel.

(2)(A) In order to be eligible for a grant or contract under this subsection—

(i) a local educational agency must establish a program or project committee meeting the requirements of subparagraph (B), which will fully participate in the preparation of the application under this subsection and in the implementation of the program or project and join in submitting such application; and

(ii) a private nonprofit agency, institution, or organization must (I) establish a program or project board of not less than ten members which meets the requirements of subparagraph (B) and which shall exercise policymaking authority with respect to the program or project and (II) have demonstrated to the [Assistant Secretary] *Commissioner* that it has the capacity to obtain the services of adequately trained and qualified staff.

(B) A program or project committee or board, established pursuant to subparagraph (A) must be broadly representative of parents, school officials, teachers, and interested members of the community or communities to be served, not less than half of the members of which shall be parents and not less than half of the members of which shall be members of the minority group the educational needs of which the program or project is intended to meet.

(3) All programs or projects assisted under this subsection shall be specifically designed to complement any programs or projects carried out by the local educational agency under section 706. The [Assistant Secretary] *Commissioner* shall insure that programs of Federal financial assistance related to the purposes of this subsection are coordinated and carried out in a manner consistent with the provisions of this subsection, to the extent consistent with other law.

METROPOLITAN AREA PROJECTS

SEC. 709. (a) Sums available to the Secretary under section 708 for metropolitan area projects shall be available for the following purposes:

(1) A program of grants to, and contracts with, local educational agencies which are eligible under section 706(a)(2) in order to assist them in establishing and maintaining integrated schools as defined in section 720(6).

(2) A program of any grant to groups of local educational agencies located in a Standard Metropolitan Statistical Area for the joint development of a plan to reduce and eliminate minority group isolation, to the maximum extent possible, in the public elementary and secondary schools in the Standard Metropolitan Statistical Area, which shall, as a minimum, provide that by a date certain, but in no event later than July 1, 1983, the percentage of minority group children enrolled in each school in the Standard Metropolitan Statistical Area shall be at least 50 per centum of the percentage of minority group children enrolled in all the schools in the Standard Metropolitan Statistical Area. No grant may be made under this paragraph unless—

(A) two-thirds or more of the local educational agencies in the Standard Metropolitan Statistical Area have approved the application, and

(B) the number of students in the schools of the local educational agencies which have approved the application constitutes two-thirds or more of the number of students in the schools of all the local educational agencies in the Standard Metropolitan Statistical Area.

(b) In making grants and contracts under this section, the [Assistant Secretary] *Commissioner* shall insure that at least one grant shall be for purposes of paragraph (2) of subsection (a).

APPLICATIONS

SEC. 710. (a) Any local educational agency desiring to receive assistance under this title for any fiscal year shall submit to the [Assistant Secretary] *Commissioner* an application therefor for that fiscal year at such time, in such form, and containing such information as the [Assistant Secretary] *Commissioner* shall require by regulation. Such application, together with all correspondence and other written materials relating thereto, shall be made readily available to the public by the applicant and by the [Assistant Secretary] *Commissioner*. The [Assistant Secretary] *Commissioner* may approve such an application only if he determines that such application—

(1) in the case of applications under section 706, sets forth a program under which, and such policies and procedures as will assure that, (A) the applicant will use the funds received under this title only for the activities set forth in section 707 and (B) in the case of an application under section 706(b), the applicant will initiate or expand an innovative program specifically designed

to meet the educational needs of children attending one or more minority group isolated schools;

(2) has been developed—

(A) in open consultation with parents, teachers, and, where applicable, secondary school students, including public hearings at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereon, and

(B) except in the case of applications under section 708(c), with the participation of a committee composed of parents of children participating in the program for which assistance is sought, teachers, and, where applicable, secondary school students, of which at least half the members shall be such parents, and at least half shall be persons from minority groups;

(3) sets forth such policies and procedures as will insure that the program for which assistance is sought will be operated in consultation with, and with the involvement of, parents of the children and representatives of the area to be served, including the committee established for the purposes of clause (2)(B);

(4) sets forth such policies and procedures, and contains such information, as will insure that funds paid to the applicant under the application will be used solely to pay the additional cost to the applicant in carrying out the plan, program, and activity described in the application;

(5) contains such assurances and other information as will insure that the program for which assistance is sought will be administered by the applicant, and that any funds received by the applicant, and any property derived therefrom, will remain under the administration and control of the applicant;

(6) sets forth assurances that the applicant is not reasonably able to provide, out of non-Federal sources, the assistance for which the application is made;

(7) provides that the plan with respect to which such agency is seeking assistance (as specified in section 706(a)(1)(A) does not involve freedom of choice as a means of desegregation, unless the [Assistant Secretary] *Commissioner* determines that freedom of choice has achieved, or will achieve, the complete elimination of a dual school system in the school district of such agency;

(8) provides assurances that for each academic year for which assistance is made available to the applicant under this title such agency has taken or is in the process of taking all practicable steps to avail itself of all assistance for which it is eligible under any program administered by the Commissioner;

(9) provides assurances that such agency will carry out, and comply with, all provisions, terms, and conditions of any plan, program, or activity as described in section 706 or section 708(c) upon which a determination of its eligibility for assistance under this title is based;

(10) sets forth such policies and procedures, and contains such information, as will insure that funds made available to the appli-

cant (A) under this title will be so used (i) as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such funds, be made available from non-Federal sources for the purposes of the program for which assistance is sought, and for promoting the integration of the schools of the applicant, and *for the education of children participating in such program,* and (ii) in no case, as to supplant such funds from non-Federal sources, and (B) under any other law of the United States will, in accordance with standards established by regulation, be used in coordination with such programs to the extent consistent with such other law;

(11) in the case of an application for assistance under section 706, provides that the program, project, or activity to be assisted will involve an additional expenditure per pupil to be served, determined in accordance with regulations prescribed by the [Assistant Secretary] *Commissioner*, of sufficient magnitude to provide reasonable assurance that the desired funds under this title will not be dispersed in such a way as to undermine their effectiveness;

(12) provides that (A) to the extent consistent with the number of minority group children in the area to be served who are enrolled in private nonprofit elementary and secondary schools which are operated in a manner free from discrimination on the basis of race, color, or national origin, and which do not serve as alternatives for children seeking to avoid attendance in desegregated or integrated public schools, whose participation would assist in achieving the purpose of this title stated in section 702(b) provides assurance that such agency (after consultation with the appropriate private school officials) has made provision for their participation on an equitable basis, and (B) to the extent consistent with the number of children, teachers, and other educational staff in the school district of such agency enrolled or employed in private nonprofit elementary and secondary schools whose participation would assist in achieving the purpose of this title stated in section 702(b) or, in the case of an application under section 708(c), would assist in meeting the needs described in that subsection, such agancy (after consultation with the appropriate private school officals) has made provisions for their participation on an equitable basis;

(13) provides that the applicant has not reduced its fiscal effort for the provision of free public education for children in attendance of the schools of such agency for the fiscal year for which assistance is sought under this title to less than that of the second preceding fiscal year, and that the current expenditure per pupil which such agency makes from revenues derived from its local sources for the fiscal year for which assistance under this title will be made available to such agency is not less than such expenditure per pupil which such agency made from such revenues for (A) the fiscal year preceding the fiscal year during which the implementation of a plan described in section 706(a)(1)(A) was commenced, or (B) the third fiscal year preceding the fiscal year for which such assistance will be made available under this title, whichever is later;

(14) provides that the appropriate State educational agency has been given reasonable opportunity to offer recommendations to the applicant and to submit comments to the [Assistant Secretary] *Commissioner;*

(15) sets forth effective procedures, including provisions for objective measurement of change in educational achievement and other change to be effected by programs conducted under this title, for the continuing evaluation of programs, projects, or activities under this title, including their effectiveness in achieving clearly stated program goals, their impact on related programs and upon the community served, and their structure and mechanisms for the delivery of services, and including, where appropriate, comparisons with proper control groups composed of persons who have not participated in such programs or projects; and

(16) provides (A) that the applicant will make periodic reports at such time, in such form, and containing such information as the [Assistant Secretary] *Commissioner* may require by regulation, which regulation may require at least—

(i) in the case of reports relating to performance, that the reports be consistent with specific criteria related to the program objectives, and

(ii) that the reports include information relating to educational achievement of children in the schools of the applicant,

and (B) that the applicant will keep such records and afford such access thereto as—

(i) will be necessary to assure the correctness of such reports and to verify them, and

(ii) will be necessary to assure the public adequate access to such reports and other written materials.

(b) No application under this section may be approved which is not accompanied by the written comments of a committee established pursuant to clause (2)(B) of subsection (a). The [Assistant Secretary] *Commissioner* shall not approve an application without first affording the committee an opportunity for an informal hearing if the committee requests such a hearing.

(c) In approving applications submitted under this title (except for those submitted under sections 708 (b) and (c) and 711), the [Assistant Secretary] *Commissioner* shall apply only the following criteria:

(1) the need for assistance, taking into account such factors as—

(A) the extent of minority group isolation (including the number of minority group isolated children and the relative concentration of such children) in the school district to be served as compared to other school districts in the State,

(B) the financial need of such school district as compared to other school districts in the State,

(C) the expense and difficulty of effectively carrying out a plan or activity described in section 706 or a program described in section 708(a) in such school district as compared to other school districts in the State, and

(D) the degree to which measurable deficiencies in the quality of public education afforded in such school district exceeded those of other school districts within the State;

(2) the degree to which the plan or activity described in section 706(a), and the program or project to be assisted, or the program described in section 708(a) are likely to effect a decrease in minority group isolation in minority group isolated schools, or in the case of applications submitted under section 706 (a)(1)(C)(iii) or under section 706(a)(1)(E) the degree to which the plan or activity and the program or project, are likely to prevent minority group isolation from occurring or increasing (in the absence of assistance under this title);

(3) the extent to which the plan or activity described in section 706 constitutes a comprehensive districtwide approach to the elimination of minority groups isolation, to the maximum extent practicable, in the schools of such school district;

(4) the degree to which the program, project, or activity to be assisted affords promise of achieving the purpose of this title stated in section 702(b);

(5) that (except in the case of an application submitted under section 708(a)) the amount necessary to carry out effectively the project or activity does not exceed the amount available for assistance in the State under this title in relation to the other applications from the State pending before him; and

(6) the degree to which the plan or activity described in section 706 involves to the fullest extent practicable the total educational resources, both public and private, of the community to be served.

(d)(1) The [Assistant Secretary] *Commissioner* shall not give less favorable consideration to the application of a local educational agency (including an agency currently classified as legally desegregated by the Secretary) which has voluntarily adopted a plan qualified for assistance under this title (due only to the voluntary nature of the action) than to the application of a local educational agency which has been legally required to adopt such a plan.

(2) The [Assistant Secretary] *Commissioner* shall not finally disapprove in whole or in part any application for funds submitted by a local educational agency without first notifying the local educational agency of the specific reasons for his disapproval and without affording the agency an appropriate opportunity to modify its application.

(e) The [Assistant Secretary] *Commissioner* may, from time to time, set dates by which applications shall be filed.

(f) In the case of an application by a combination of local educational agencies for jointly carrying out a program or project under this title, at least one such agency shall be a local educational agency described in section 706(a) or section 708 (a) or (c) and any one or more of such agencies joining in such application may be authorized to administer such program or project.

(g) No State shall reduce the amount of State aid with respect to the provision of free public education in any school district of any local educational agency within such State because of assistance made or to be made available to such agency under this title.

EDUCATIONAL TELEVISION

SEC. 711. (a) The sums reserved pursuant to section 704(b)(2)(B) for the purpose of carrying out this section shall be available for grants and contracts in accordance with subsection (b).

(b)(1) The [Assistant Secretary] *Commissioner* shall carry out a program of making grants to, or contracts with, not more than ten public or private nonprofit agencies, institutions, or organizations with the capability of providing expertise in the development of television programming, in sufficient number to assure diversity, to pay the cost of development and production of integrated children's television programs of cognitive and effective educational value.

(2) Television programs developed in whole or in a part with assistance provided under this title shall be made reasonably available for transmission, free of charge, and shall not be transmitted under commercial sponsorship.

(3) The [Assistant Secretary] *Commissioner* may approve an application under this section only if he determines that the applicant—

(A) will employ members of minority groups in responsible positions in development, production, and administrative staffs;

(B) will use modern television techniques of research and production; and

(C) has adopted effective procedures for evaluating education and other change achieved by children viewing the program.

PAYMENTS

SEC. 712. (a) Upon his approval of an application for assistance under this title, the [Assistant Secretary] *Commissioner* shall reserve from the applicable apportionment (including any applicable reapportionment) available therefor the amount fixed for such application.

(b) The *Commissioner* [Assistant Secretary] shall pay to the applicant such reserved amount, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine.

(c)(1) If a local educational agency in a State is prohibited by law from providing for the participation of children and staff enrolled or employed in private nonprofit elementary and secondary schools as required by paragraph (12) of section 710(a), the [Assistant Secretary] *Commissioner* may waive such requirement with respect to local educational agencies in such State and, upon the approval of an application from a local educational agency within such State, shall arrange for the provision of services to such children enrolled in, or teachers or other educational staff of any nonprofit private elementary or secondary school located within the school district of such agency if the participation of such children and staff would assist in achieving the purpose of this title stated in section 702(b) or in the case of an application under section 708(c) would assist in meeting the needs described in that subsection. The services to be provided through arrangements made by the *Commissioner* [Assistant Secretary] under this paragraph shall be comparable to the services to be provided by such local educational agency under such application. The [Assistant Secretary] *Commissioner* shall pay the cost of such arrangements from such State's allotment or, in the case of an application under section 708(c), from the funds reserved under section 704(b)(2)(A), or in case of an application under section 708(a), from the sums available to the *Commissioner* [Assistant Secretary] under section 704(b)(2) for the purpose of that subsection.

(2) In determining the amount to be paid pursuant to paragraph (1), the [Assistant Secretary] *Commissioner* shall take into account the number of children and teachers and other educational staff who, expect for provisions of State law, might reasonably be expected to participate in the program carried out under this title by such local educational agency.

(3) If the *Commissioner* [Assistant Secretary] determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of children and staff enrolled or employed in private nonprofit elementary and secondary schools as required by paragraph (12) of section 710(a) he shall ararnge for the provision of services to children enrolled in, or teachers or other educational staff of, the nonprofit private elementary or secondary school or schools located within the school district of such local educational agency, which services shall, to the maximum extent feasible, be identical with the services which would have been provided such children or staff had the local educational agency carried out such assurance. The [Assistant Secretary] *Commissioner* shall pay the cost of such services from the grant to such local educational agency and shall have the authority for this purpose of recovering from such agency any funds paid to it under such grant.

(d) After making a grant or contract under this title, the [Assistant Secretary] *Commissioner* shall notify the appropriate State educational agency of the name of the approved applicant and of the amount approved.

EVALUATIONS

SEC. 713. The [Assistant Secretary] *Commissioner* is authorized to reserve not in excess of 1 per centum of the sums appropriated under this title, and reserved pursuant to section 704(b)(2), for any fiscal year for the purposes of this section. From such reservation, the [Assistant Secretary] *Commissioner* is authorized to make grants to, and contracts with, State educational agencies, institutions of higher education and private organizations, institutions, and agencies, including committees established pursuant to section 710(a)(2) for the purpose of evaluating specific programs and projects assisted under this title.

REPORTS

SEC. 714. The [Assistant Secretary] *Commissioner* shall make periodic detailed reports concerning his activities in connection with the program authorized by this title and the program carried out with appropriations under the paragraph headed "Emergency School Assistance" in the Office of Education Appropriations Act, 1971 (Public Law 91-380), and the effectiveness of programs and projects assisted under this title in achieving the purpose of this title state in section 702(b). Such reports shall contain such information as may be necessary to permit adequate evaluation of the program authorized by this title, and shall include application forms, regulations, program guides, and guidelines used in the administration of the program. The report shall be submitted to the President and to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives. The first report submitted pursuant to this section shall be submitted no later than ninety days after the enactment of this title. Subsequently reports shall be submitted no less often than two times annually.

JOINT FUNDING

SEC. 715. Pursuant to regulations prescribed by the President, where funds are advanced under this title, and by one or more other Federal agencies for any project or activity funded in whole or in part under this title, any one of such Federal agencies may be designated to act for all in administering the funds advanced. In such cases, any such agency may waive any technical grant or contract requirement (as defined by regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose. Nothing in this section shall be construed to authorize (1) the use of any funds appropriated under this title for any purpose not authorized herein, (2) a variance of any reservation or apportionment under section 704 or 705, or (3) waiver of any requirement set forth in sections 706 through 711.

NATIONAL ADVISORY COUNCIL

SEC. 716. (a) There is hereby established a National Advisory Council on Equality of Educational Opportunity, consisting of fifteen members, at least one-half of whom shall be representative of minority groups, appointed by the President, which shall—

(1) advise the [Assistant Secretary] *Commissioner* with respect to the operation of the program authorized by this title, including the preparation of regulations and the development of criteria for the approval of applications;

(2) review the operation of the program (A) with respect to its effectiveness in achieving its purpose as stated in section 702(b), and (B) with respect to the [Assistant Secretary's] *Commissioner's* conduct in the administration of the program;

(3) meet not less than four times in the period during which the program is authorized, and submit through the Secretary, to the Congress at least two interim reports, which reports shall include a statement of its activities and of any recommendations it may have with respect to the operation of the porgram; and

(4) not later than December 1, 1973, submit to the Congress a final report on the operation of the program.

(b) The [Assistant Secretary] *Commissioner* shall submit an estimate in the same manner provided under section 400(c) and part D of the General Education Provisions Act to the Congress for the appropriations necessary for the Council created by subsection (a) to carry out its functions. Subject to section 448(b) of the General Education Provisions Act, such Council shall continue to exist until July 1, 1975.

[GENERAL PROVISIONS

[SEC. 717. (a) The provisions of parts C and D of the General Education Provisions Act shall apply to the program of Federal assistance authorized under this title as if such program were an applicable program under such General Education Provisions Act, and the [Assistant Secretary] *Commissioner* shall have the authority vested in the Commissioner of Education by such parts with respect to such program.

(b) Section 422 of such General Education Provisions Act is amended by inserting "the Emergency School Aid Act;" after "the International Education Act of 1966;".]

ATTORNEY FEES

SEC. 718. Upon the entry of a final order by a court of the United States against a local educational agency, a State (or any agency thereof), or the United States (or any agency thereof), for failure to comply with any provision of this title or for discrimination on the basis of race, color, or national origin in violation of title VI of the Civil Rights Act of 1964, or the fourteenth amendment to the Constitution of the United States as they pertain to elemenary and secondary education, the court, in its discretion, upon a finding that the proceedings were necessary to bring about compliance, may allow the prevailing party, other than the United States, a resonable attorney's fee as part of the costs.

NEIGHBORHOOD SCHOOLS

SEC. 719. Nothing in this title shall be construed as requiring any local educational agency which assigns students to schools on the basis of geographic attendance areas drawn on a racially nondiscriminatory basis to adopt any other method of student assignment.

DEFINITIONS

SEC. 720. Except as otherwise specified, the following definitions shall apply to the terms used in this title:

(1) The term *Commissioner* [Assistant Secretary] means the *Commissioner of Education* [Assistant Secretary of Health, Education, and Welfare for Education.]

(2) The term "current expenditure per pupil" for a local educational agency means (1) the expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay and debt service, or any expenditure made from funds granted under such Federal program of assistance as the Secretary may prescribe, divided by (2) the number of children in average daily attendance to whom such agency provided free public education during the year for which the computation is made.

(3) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(4) The term "equipment" includes machinery, utilities and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the provision of educational

services, such as instructional equipment and necessary furniture, printed, published, and audiovisual instructional materials, and other related material.

(5) The term "institution of higher education" means an educational institution in any State which—

(A) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(B) is legally authorized within such State to provide a program of education beyond high school;

(C) provides an educational program for which it awards a bachelor's degree; or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(D) is a public or other nonprofit institution; and

(E) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner for the purposes of this paragraph.

(6) For the purpose of section 706(a)(2) and section 709(a)(1), the term "integrated school" means a school with an enrollment in which a substantial proportion of the children is from educationally advantaged backgrounds, in which the proportion of minority group children is at least 50 per centum of the proportion of minority group children enrolled in all schools of the local educational agencies within the Standard Metropolitan Statistical Area, and which has a faculty and administrative staff with substantial representation of minority group persons.

(7) For the purpose of section 706(a)(1)(E), the term "integrated school" means a school with (i) an enrollment in which a substantial proportion of the children is from educationally advantaged backgrounds, and in which the [Assistant Secretary] *Commissioner* determines that the number of nonminority group children, constitutes that proportion of the enrollment which will achieve stability, in no event more than 65 per centum thereof, and (ii) a faculty which is representative of the minority group and nonminority group population of the larger community in which it is located, or, wherever the [Assistant Secretary] *Commissioner* determines that the local educational agency concerned is attempting to increase the proportions of minority group teachers, supervisors, and administrators in its employ, a faculty which is representative of the minority group and nonminority group faculty employed by the local educational agency.

(8) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or a federally recognized Indian reservation, or such combination of school districts, or counties as are

70-623 O - 78 - 28

recognized in a State as an administrative agency for its public elementary or secondary schools, or a combination of local educational agencies; and includes any other public institution or agency having administrative control and direction of a public elementary or secondary school and where responsibility for the control and direction of the activities in such schools which are to be assisted under this title is vested in an agency subordinate to such a board or other authority, the [Assistant Secretary] *Commissioner* may consider such subordinate agency as a local educational agency for purpose of this title.

(9)(A) The term "minority group" refers to (i) persons who are Negro, American Indian, Spanish-surnamed American, Portuguese, Oriental, Alaskan natives, and Hawaiian natives and (i) (except for the purposes of section 705), as determined by the [Assistant Secretary] *Commissioner*, persons who are from environments in which a dominant language is other than English and who, as a result of language barriers and cultural differences, do not have an equal educational opportunity, and (B) the term "Spanish-surnamed American" includes persons of Mexican, Puerto Rican, Cuban, or Spanish origin or ancestry.

(10) The terms "minority group isolated school" and "minority group isolation" in reference to a school mean a school and condition, respectively, in which minority group children constitute more than 50 per centum of the enrollment of a school.

(11) The term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(12) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(13) The term "Standard Metropolitan Statistical Area" means the area in and around a city of fifty thousand inhabitants or more as defined by the Office of Management and Budget.

(14) The term "State" means one of the fifty States or the District of Columbia, and for purposes of section 708(a), Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall be deemed to be States.

(15) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law for this purpose.

§ 5314. Positions at level III.

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is $29,500:

(1) Solicitor General of the United States.

(2) Repealed. Pub. L. 91-375, § 6(c)(13)(A), Aug. 12, 1970, 84 Stat. 776.

(3) Under Secretary of Agriculture.

(4) Under Secretary of Commerce.

(5) Repealed. Pub. L. 89–670, § 10(e). Oct. 15, 1966, 80 Stat. 948.

(6) Under Secretary of Health, Education, and Welfare.

(7) Under Secretary of the Interior.

(8) Under Secretary of Labor.

(9) Under Secretary of State or Political Affairs or Under Secretary of State for Economic Affairs.

(10) Under Secretary of the Treasury.

(11) Under Secretary of the Treasury for Monetary Affairs.

(12) Administrator of General Services.

(13) Administrator of the Small Business Administration.

(14) Deputy Administrator of Veterans' Affairs.

(15) Deputy Administrator, Agency for International Development.

(16) Chairman, Civil Aeronautics Board.

(17) Chairman of the United States Civil Service Commission.

(18) Chairman, Federal Communications Commission.

(19) Chairman, Board of Directors, Federal Deposit Insurance Corporation.

(20) Chairman of the Federal Home Loan Bank Board.

(21) Chairman, Federal Power Commission.

(22) Chairman, Federal Trade Commission.

(23) Chairman, Interstate Commerce Commission.

(24) Chairman, National Labor Relations Board.

(25) Chairman, Securities and Exchange Commission.

(26) Chairman, Board of Directors of the Tennessee Valley Authority.

(27) Chairman, National Mediation Board.

(28) Chairman, Railroad Retirement Board.

(29) Chairman, Federal Maritime Commission.

(30) Comptroller of the Currency.

(31) Commissioner of Internal Revenue.

(32) Director of Defense Research and Engineering, Department of Defense.

(33) Deputy Administrator of the National Aeronautics and Space Administration.

(34) Deputy Director of the Bureau of the Budget.

(35) Deputy Director of Central Intelligence.

(36) Director of the Office of Emergency Planning.

(37) Director of the Peace Corps.

(38) Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.

(39) Deputy Director, National Science Foundation.

(40) Repealed. Pub. L. 90–83, § 1(14)(A), Sept. 11, 1967, 81 Stat. 198.

(41) President of the Export-Import Bank of Washington.

(42) Members, Atomic Energy Commission.

(43) Members, Board of Governors of the Federal Reserve System.

(44) Director of the Federal Bureau of Investigation, Department of Justice.

(45) Administrator, Federal Highway Administration.

(46) Administrator, Federal Railroad Administration.

(47) Chairman, National Transportation Safety Board.

(48) Chairman of the National Endowment for the Arts the incumbent of which also serves as Chairman of the National Council on the Arts.

(49) Chairman of the National Endowment for the Humanities.

(50) Director of the Federal Mediation and Conciliation Service.

(51) Under Secretary of Housing and Urban Development.

(52) Urban Mass Transportation Administrator.

(53) President, Overseas Private Investment Corporation.

(55) Chairman. Postal Rate Commission.

(55) Administrator of Law Enforcement Assistance.

(57) Chairman, Occupational Safety and Health Review Commission.

* * * * * * *

(62) Commissioner of Education, Department of Health, Education, and Welfare.

§ 5315. Positions at level IV.

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is $28,750:

(1) Administrator, Bureau of Security and Consular Affairs, Department of State.

(2) Repealed. Pub. L. 89–670, § 10(e), Oct. 15, 1966, 80 Stat. 948.

(3) Deputy Administrator of General Services.

(4) Associate Administrator of the National Aeronautics and Space Administration.

(5) Assistant Administrators, Agency for International Development (6).

(6) Regional Assistant Administrators, Agency for International Development (4).

(7) Under Secretary of the Air Force.

(8) Under Secretary of the Army.

(9) Under Secretary of the Navy.

(10) Deputy Under Secretaries of State (2).

(11) Assistant Secretaries of Agriculture (3).

(12) Assistant Secretaries of Commerce (6).

(13) Assistant Secretaries of Defense (8).

(14) Assistant Secretaries of the Air Force (4).

(15) Assistant Secretaries of the Army (5).

(16) Assistant Secretaries of the Navy (4).

(17) Assistant Secretaries of Health, Education, and Welfare (5).

(18) Assistant Secretaries of the Interior (5).

(19) Assistant Attorneys General (9).

(20) Assistant Secretaries of Labor (5).

(21) Repealed. Pub. L. 91–375, § 6(c)(14)(A), Aug. 12, 1970, 84 Stat. 776.

(22) Assistant Secretaries of State (11).

(23) Assistant Secretaries of the Treasury (4).

(24) Chairman of the United States Tariff Commission.

(25)—(28) Repealed. Pub. L. 90–83, § 1(15) (E), Sept. 11, 1967, 81 Stat. 198.

(29) Director of Civil Defense, Department of the Army.

(30) Repealed. Pub. L. 90–83, § 1(15) (E), Sept. 11, 1967, 81 Stat. 198.

(31) Deputy Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.

(32) Deputy Director of the Office of Emergency Planning.

(33) Deputy Director of the Office of Science and Technology.

(34) Deputy Director of the Peace Corps.

(35) Deputy Director of the United States Arms Control and Disarmament Agency.

(36) Deputy Director of the United States Information Agency.

(37) Assistant Directors of the Bureau of the Budget (3).

(38) General Counsel of the Department of Agriculture.

(39) General Counsel of the Department of Commerce.

(40) General Counsel of the Department of Defense.

(41) General Counsel of the Department of Health, Education, and Welfare.

(42) Solicitor of the Department of the Interior.

(43) Solicitor of the Department of Labor.

(44) General Counsel of the National Labor Relations Board.

(45) Repealed. Pub. L. 91–375, § 6(c) (14) (A), Aug. 12, 1970, 84 Stat. 776.

(46) Counselor of the Department of State.

(47) Legal Adviser of the Department of State.

(48) General Counsel of the Department of the Treasury.

(49) First Vice President of the Export-Import Bank of Washington.

(50) General Manager of the Atomic Energy Commission.

(51) Governor of the Farm Credit Administration.

(52) Inspector General, Foreign Assistance.

(53) Deputy Inspector General, Foreign Assistance.

(54) Members, Civil Aeronautics Board.

(55) Members, Council of Economic Advisers.

(56) Members, Board of Directors of the Export-Import Bank of Washington.

(57) Members, Federal Communications Commission.

(58) Member, Board of Directors of the Federal Deposit Insurance Corporation.

(59) Members, Federal Home Loan Bank Board.

(60) Members, Federal Power Commission.

(61) Members, Federal Trade Commission.

(62) Members, Interstate Commerce Commission.

(63) Members, National Labor Relations Board.

(64) Members, Securities and Exchange Commission.

(65) Members, Board of Directors of the Tennessee Valley Authority.

(66) Members, United States Civil Service Commission.

(67) Members, Federal Maritime Commission.

(68) Members, National Mediation Board.

(69) Members, Railroad Retirement Board.

(70) Director of Selective Service.

(71) Associate Director of the Federal Bureau of Investigation, Department of Justice.

(72) Chairman, Equal Employment Opportunity Commission.

(73) Chief of Protocol, Department of State.

(74) Director, Bureau of Intelligence and Research, Department of State.

(75) Director, Community Relations Service.

(76) United States Attorney for the District of Columbia.

(77) United States Attorney for the Southern District of New York.

(78) Members, National Transportation Safety Board.

(79) General Counsel, Department of Transportation.

(80) Deputy Administrator, Federal Aviation Administration.

(81) Assistant Secretaries of Transportation (4).

(82) Director of Public Roads.

(83) Administrator of the St. Lawrence Seaway Development Corporation.

(84) Assistant Secretary for Science, Smithsonian Institution.

(85) Assistant Secretary for History and Art, Smithsonian Institution.

(86) Deputy Administrator of the Small Business Administration.

(87) Assistant Secretaries of Housing and Urban Development (6).

(88) General Counsel of the Department of Housing and Urban Development.

(89) Commissioner of Interama.

(90) Associate Administrator of Law Enforcement Assistance (2).

(91) Federal Insurance Administrator, Department of Housing and Urban Development.

(92) Executive Vice President, Overseas Private Investment Corporation.

(93) Administrator of the National Credit Union Administration.

(94) Members, Postal Rate Commission (4).

(95) Members, Occupational Safety and Health Review Commission.

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(105) Administrative Deputy Commissioner of Education, Department of Health, Education, and Welfare.

(106) Director, National Institute of Education, Department of Health, Education, and Welfare.

§ 5316. Positions at level V.

Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is $28,000:

(1) Administrator, Agricultural Marketing Service, Department of Agriculture.

(2) Administrator, Agricultural Research Service, Department of Agriculture.

(3) Administrator, Agricultural Stabilization and Conservation Service, Department of Agriculture.

(4) Administrator, Farmers Home Administration.

(5) Administrator, Foreign Agricultural Service, Department of Agriculture.

(6) Administrator, Rural Electrification Administration, Department of Agriculture.

(7) Administrator, Soil Conservation Service, Department of Agriculture.

(8) Administrator, Bonneville Power Administration, Department of the Interior.

(9) Administrator of the National Capital Transportation Agency.

(10) Repealed. Pub. L. 89–670, § 10(e), Oct. 15, 1966, 80 Stat. 948.

(11) Associate Administrators of the Small Business Administration (3).

(12)—(14) Repealed. Pub. L. 89–670, § 10(e), Oct. 15, 1966, 80 Stat. 948.

(15) Associate Administrator for Advanced Research and Technology, National Aeronautics and Space Administration.

(16) Associate Administrator for Space Science and Applications, National Aeronautics and Space Administration.

(17) Associate Administrator for Manned Space Flight, National Aeronautics and Space Administration.

(18) Associate Deputy Administrator, National Aeronautics and Space Administration.

(19) Deputy Associate Administrator, National Aeronautics and Space Administration.

(20) Associate Deputy Administrator of Veterans' Affairs.

(21) Archivist of the United States.

(22) Repealed. Pub. L. 90–83, § 1(16)(A), Sept. 11, 1967, 81 Stat. 198.

(23) Assistant Secretary of Agriculture for Administration.

(24) Assistant Secretary of Health, Education, and Welfare for Administration.

(25) Assistant Secretary of the Interior for Administration.

(26) Assistant Attorney General for Administration.

(27) Assistant Secretary of Labor for Administration.

(28) Assistant Secretary of the Treasury for Administration.

(29) Assistant General Manager, Atomic Energy Commission.

(30) Assistant and Science Adviser to the Secretary of the Interior.

(31) Chairman, Foreign Claims Settlement Commission of the United States.

(32) Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense.

(33) Chairman of the Renegotiation Board.

(34) Chairman of the Subversive Activities Control Board.

(35) Chief Counsel for the Internal Revenue Service, Department of the Treasury.

(36) Chief Forester of the Forest Service, Department of Agriculture.

(37) Repealed. Pub. L. 91–375, § 6(c)(15), Aug. 12, 1970, 84 Stat. 776.

(38) Repealed. Pub. L. 90–83, § 1(16)(A), Sept. 11, 1967, 81 Stat. 198.

(39) Commissioner of Customs, Department of the Treasury.

(40) Commissioner, Federal Supply Service, General Services Administration.

(41) [Commissioner of Education, Department of Health, Education, and Welfare.]

(42) Commissioner of Fish and Wildlife, Department of the Interior.

(43) Commissioner of Food and Drugs, Department of Health, Education, and Welfare.

(44) Commissioner of Immigration and Naturalization, Department of Justice.

(45) Commissioner of Indian Affairs, Department of the Interior.

(46) Repealed. Pub. L. 90–9, § 6, Apr. 10, 1967, 81 Stat. 12.

(47) Commissioners, Indian Claims Commission (5).

(48) Commissioner of Patents, Department of Commerce.

(49) Commissioner, Public Buildings Service, General Services Administration.

(50) Commissioner of Reclamation, Department of the Interior.

(51) Commissioner of Social Security, Department of Health, Education, and Welfare.

(52) Commissioner of Vocational Rehabilitation, Department of Health, Education, and Welfare.

(53) Commissioner of Welfare, Department of Health, Education, and Welfare.

(54) Director, Advanced Research Projects Agency, Department of Defense.

(55) Director of Agricultural Economics, Department of Agriculture.

(56) Director, Bureau of the Census, Department of Commerce.

(57) Director, Bureau of Mines, Department of the Interior.

(58) Director, Bureau of Prisons, Department of Justice.

(59) Director, Geological Survey, Department of the Interior.

(60) Repealed. Pub. L. 91–375, § 6(c)(15), Aug. 12, 1970, 84 Stat. 776.

(61) Director, National Bureau of Standards, Department of Commerce.

(62) Director of Regulation, Atomic Energy Commission.

(63) Director of Science and Education, Department of Agriculture.

(64) Deputy Under Secretary for Monetary Affairs, Department of the Treasury.

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NATIONAL CENTER FOR EDUCATION STATISTICS

SEC. 406. (a) There is established, within the Office of the [Assistant Secretary] *Commissioner*, a National Center for Education Statistics (hereafter in this section referred to as the 'Center'). The Center shall be headed by an Administrator who shall be appointed by the [Assistant Secretary] *Commissioner* in accordance with the provisions of title 5, United States Code, relating to appointments in the competitive service.

(b) The purpose of the Center shall be to collect and disseminate statistics and other data related to education in the United States and in other nations. The Center shall—

(1) collect, collate, and, from time to time, report full and complete statistics on the conditions of education in the United States;

(2) conduct and publish reports on specialized analyses of the meaning and significance of such statistics;

(3) assist State and local educational agencies in improving and automating their statistical and data collection activities; and

(4) review and report on educational activities in foreign countries.

(c)(1) There shall be an Advisory Council on Education Statistics which shall be composed of 7 members appointed by the Secretary and such ex officio members as are listed in subparagraph (2). Not more than 4 of the appointed members of the Council may be members of the same political party.

(2) The ex officio members of the Council shall be—

(A) the Commissioner of Education,
(B) the Director of the National Institute of Education,
(C) the Director of the Census, and
(D) the Commissioner of Labor Statistics.

(3) Appointed members of the Council shall serve for terms of 3 years, as determined by the Secretary, except that in the case of initially appointed members of the Council, they shall serve for shorter terms to the extent necessary that the terms of office of not more than 3 members expire in the same calendar year.

(4) [The Assistant Secretary shall serve as the non-voting presiding officer of the Council] *The Commissioner shall serve as the presiding officer of the Council.*

(5)(A) The Council shall meet at the call of the presiding officer, except that it shall meet—

(i) at least four times during each calendar year; and

(ii) in addition, whenever three voting members request in writing that the presiding officer call a meeting.

(B) Six members of the Council shall constitute a quorum of the Council.

(6) The provisions of section 448(b) of part D of this title shall not apply to the Council established under this subsection.

(7) The Council shall review general policies for the operation of the Center and shall be responsible for establishing standards to insure that statistics and analyses disseminated by the Center are of high quality and are not subject to political influence.

(d)(1) The [Assistant Secretary] *Commissioner* shall, not later than March 1 of each year, submit to the Congress an annual report which—

(A) contains a description of the activities of the Center during the then current fiscal year and a projection of its activities during the succeeding fiscal year;

(B) sets forth estimates of the cost of the projected activities for such succeeding fiscal year; and

(C) includes a statistical report on the condition of education in the United States during the two preceding fiscal years and a projection, for the three succeeding fiscal years, of estimated statistics related to education in the United States.

(2) The Center shall develop and enforce standards designed to protect the confidentiality of persons in the collection, reporting, and publication of data under this section. This subparagraph shall not be construed to protect the confidentiality of information about institutions, organizations, and agencies receiving grants from or having contracts with the Federal Government.

(e) In order to carry out the objectives of the Center, the [Assistant Secretary] *Commissioner* is authorized, either directly or by grant or contract, to carry out the purposes set forth in subsection (b), and for that purpose the [Assistant Secretary] *Commissioner* is authorized to make grants to, and contracts with public and private institutions, agencies, organizations and individuals.

(f)(1)(A) The Center is authorized to furnish transcripts or copies of tables and other statistical records of the Office of Education, the [Assistant Secretary] *Commissioner*, and the National Institute of Education to, and to make special statistical compilations and surveys for, State or local officials, public and private organizations, or individuals. The Center shall furnish such special statistical compilations and surveys as the Committees on Labor and Public Welfare and on Appropriations of the Senate and the Committees on Education and Labor and on Appropriations of the House of Representatives may request. Such statistical compilations and surveys, other than those carried out pursuant to the preceding sentence, shall be made subject to the payment of the actual or estimated cost of such work. In the case of nonprofit organizations or agencies, the [Assistant Secretary] *Commissioner* may engage in joint statistical projects, the cost of which shall be shared equitably as determined by the [Assistant Secretary] *Commissioner: Provided*, That the purposes of such projects are otherwise authorized by law.

PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

SEC. 141A. (a) To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency shall make provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate and meeting the requirements of clauses (A) and (B) of paragraph (1) of subsection (a) of section 141, paragraph (2) of subsection (a) of such section, and clauses (A) and (B) of paragraph (3) of subsection (a) of such section 141.

(b)(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Commissioner shall waive such requirement and the provisions of section 141(a)(2), and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a).

(2) If the Commissioner determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), he shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a), upon which determination the provisions of paragraph (a) and section 141 (a)(2) shall be waived.

(3) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services from the appropriate allocation or allocations under this title.

(4) (A) the Commissioner shall not take any final action under this section until he has afforded the State educational agency and local educational agency affected by such action at least sixty days notice of his proposed action and an opportunity for a hearing with respect thereto on the record.

(B) If a State or local educational agency is dissatisfied with the Commissioner's final action after a hearing under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forhwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(C) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(D) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

NATIONAL CENTER FOR EDUCATION STATISTICS

SEC. 406. (a) There is established, within the Office of the Assistant Secretary, a National Center for Education Statistics (hereafter in this section referred to as the 'Center'). The Center shall be headed by an Administrator who shall be appointed by the Assistant Secretary in accordance with the provisions of title 5, United States Code, relating to appointments in the competitive service.

(b) The purpose of the Center shall be to collect and disseminate statistics and other data related to education in the United States and

(1) collect, collate, and from time to time, report full and complete statistics on the conditions of education in the United States;

(2) conduct and publish reports on specialized analyses of the meaning and significance of such statistics;

(3) assist State and local educational agencies in improving and automating their statistical and data collection activities; and

(4) review and report on educational activities in foreign countries.

(c)(1) There shall be an Advisory Council on Education Statistics which shall be composed of 7 members appointed by the Secretary and such ex officio members as are listed in subparagraph (2). Not more than 4 of the appointed members of the Council may be members of the same political party.

(2) The ex officio members of the Council shall be—

(A) the Commissioner of Education.

(B) the Director of the National Institute of Education,

(C) the Director of the Census, and

(D) the Commissioner of Labor Statistics.

(3) Appointed members of the Council shall serve for terms of 3 years, as determined by the Secretary, except that in the case of initially appointed members of the Council, they shall serve for shorter terms of the extent necessary that the terms of office of not more than 3 members expire in the same calendar year.

(4) The Assistant Secretary shall serve as the non-voting presiding officer of the Council.

(5)(A) The Council shall meet at the call of the presiding officer, except that it shall meet—

(i) at least four times during each calendar year; and

(ii) in addition, whenever three voting members request in writing that the presiding officer call a meeting.

(B) Six members of the Council shall constitute a quorum of the Council.

(6) The provisions of section 448(b) of part D of this title shall not apply to the Council established under this subsection.

(7) The Council shall review general policies for the operation of the Center and shall be responsible for establishing standards to insure that statistics and analyses disseminated by the Center are of high quality and are not subject to political influence.

(d)(1) The Assistant Secretary shall, not later than March 1 of each year, submit to the Congress an annual report which—

(A) contains a description of the activities of the Center during the then current fiscal year and a projection of its activities during the succeeding fiscal year;

(B) sets forth estimates of the cost of the projected activities for such succeeding fiscal year; and

(C) includes a statistical report on the condition of education in the United States during the two preceding fiscal years and a projection, for the three succeeding fiscal years, of estimated statistics related to education in the United States.

(2) The Center shall develop and enforce standards designed to protect the confidentiality of persons in the collection, reporting, and publication of data under this section. This subparagraph shall not be construed to protect the confidentiality of information about institutions, organizations, and agencies receiving grants from or having contracts with the Federal Government.

(e) In order to carry out the objectives of the Center, the Assistant Secretary is authorized, either directly or by grant or contract, to carry out the purposes set forth in subsection (b), and for that purpose the Assistant Secretary is authorized to make grants to, and contracts with public and private institutions, agencies, organizations and individuals.

(f)(1)(A) The Center is authorized to furnish transcripts or copies of tables and other statistical records of the Office of Education, the [Assistant Secretary], *Commissioner* and the National Institute of Education to, and to make special statistical compilations and surveys for, State or local officials, public and private organizations, or individuals. The Center shall furnish such special statistical compilations and surveys as the Committees on Labor and Public Welfare and on Appropriations of the Senate and the Committees on Education and Labor and on Appropriations of the House of Representatives may request. Such statistical compilations and surveys, other than those carried out pursuant to the preceding sentence, shall be made subject to the payment of the actual or estimated cost of such work. In the case of nonprofit organizations or agencies, the [Assistant Secretary] *Commissioner* may engage in joint statistical projects, the cost of which shall be shared equitably as determined by the [Assistant Secretary] *Commissioner: Provided*, That the purposes of such projects are otherwise authorized by law.

(B) All funds received in payment for work or services enumerated under subparagraph (A) shall be deposited in a separate account which may be used to pay directly the costs of such work or services, to repay appropriations which initially bore all or part of such costs, or to refund excess sums when necessary.

(2)(A) The Center shall participate with other Federal agencies having a need for educational data in forming a consortium for the purpose of providing direct joint access with such agencies to all educational data received by the Center through automated data processing. The Library of Congress, General Accounting Office, and the Committees on Labor and Public Welfare and Appropriations of the Senate and the Committees on Education and Labor and Appropriations of the House of Representatives shall, for the purposes of this subparagraph, be considered Federal agencies.

(B) The Center shall, in accordance with regulations published for the purpose of this paragraph, provide all interested parties, including public and private agencies and individuals, direct access to data collected by the Center for purposes of research and acquiring statistical information.

(3) The Commissioner and the National Institute of Education are directed to cooperate with the Center and make such records and data available to the Center as may be necessary to enable the Center to carry out its functions under this subsection.

(g)(1) The amount available for salaries and expenses of the Center shall not exceed $5,000,000 for the fiscal year ending June 30, 1975, $10,000,000 for the fiscal year ending June 30, 1976, and $14,000,000 for the fiscal year ending June 30, 1977.

(2) The amount available for grants and contracts by the [Assistant Secretary] *Commissioner* under subsection (e) shall not exceed $20,000,000 for the fiscal year ending June 30, 1975, $25,000,000 for the fiscal year ending June 30, 1976, and $30,000,000 for the fiscal year ending June 30, 1977.

(3) Sums appropriated for activities and expenses of the Center which are not limited by paragraph (2) of this subsection shall be appropriated apart from appropriations which are so limited, as separate line items.

* * * * * * *

GENERAL AUTHORITY OF ADMINISTRATIVE HEADS OF EDUCATION AGENCIES

SEC. 408. (a) Each administrative head of an education agency, in order to carry out functions otherwise vested in him by law, is, subject to limitations as may be otherwise imposed by law, authorized—

(1) to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of operation of the agency of which he is head;

(2) in accordance with those provisions of title 5, United States Code, relating to the appointment and compensation of personnel and subject to such limitations as are imposed in this part, to appoint and compensate such personnel as may be necessary to enable such agency to carry out its functions;

(3) to accept unconditional gifts or donations of services, money, or property (real, personal, or mixed; tangible or intangible);

(4) without regard for section 3648 of the Revised Statutes of the United States (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary for the conduct of such agency;

(5) with funds expressly appropriated for such purpose, to construct such facilities as may be necessary to carry out functions vested in him or in the agency of which he is head, and to acquire and dispose of property; and

(6) to use the services of other Federal agencies and reimburse such agencies for such services.

(b) Any administrative head of an education agency is, subject to any other limitations on delegations of authority provided by law, authorized to delegate any of his functions under this section to an officer or employee of that agency.

(c) For the purposes of this section, the term 'adminisrative head of an education agency' means the Commissioner and the Director of the National Institute of Education. [To the extent that the Assistant Secretary is directly responsible for the administration of a program and to the extent that the Assistant Secretary is responsible for the supervision of the National Center for Education Statistcis, the Assistant Secretary shall, for such purposes, be considered within the meaning of such term.]

* * * * * * *

RENEWAL EVALUATION REPORTS

SEC. 418. (a) In the case of any applicable program for which—

(1) the authorization of appropriations expires; or

(2) the time during which payments or grants are to be made expires;

not later than one year prior to the date of such expiration, the [Assistant Secretary] *Commissioner* shall submit to the Committee on Educantion and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a comprehensive evaluation report on such program.

(b) Any comprehensive evaluation report submitted pursuant to subsection (a) shall contain—

(1) a history of the program concerned, including—

(A) a history of authorizations of appropriations, budget requests, appropriations, and expenditures for such programs;

(B) a history of legislative recommendations with respect to such program made by the President and the disposition of such recommendations, and

(C) a history of legislative changes made in applicable statutes with respect to such program;

(2) assuming a continuation of such program, recommendations for improvements (including legislative changes and funding levels) in such program with a view toward achieving the legislative purposes of such program;

(3) a compilation and summary of all evaluations of such program; and

(4) a recommendation with respect to whether such program should be continued, and the date of its expiration, and the reasons for such recommendations."

* * * * * * *

COMPILATION OF ASSISTED INNOVATIVE PROJECTS

SEC. 424. The [Assistant Secretary] *Commissioner* shall publish annually a compilation of all innovative projects assisted under programs administered in the Education Division, including title III and part C of title IV of the Elementary and Secondary Education Act of 1965, in any year funds are used to carry out such programs. Such compilation shall be indexed according to subject, descriptive terms, and locations.

* * * * * * *

ADMINISTRATION OF EDUCATION PROGRAMS AND PROJECTS

SEC. 434. (a)(1) Each recipient of Federal funds under any applicable program through any grant, subgrant, contract, subcontract, loan, or other arrangement entered into (other than by formal advertising) shall keep such records as the [Assistant Secretary] *Commissioner* shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such funds are given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of five years after the completion of the project or undertaking to which reference is made in paragraph (1), have access, for the purpose of audit and examination, to any books documents, papers, and records of such recipients which, in the opinion of the Comptroller General, after consultation with the [Assistant Secretary] *Commissioner*, may be related, or pertinent to, the grants, subgrants, contracts, sub-

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PROFESSIONAL, TECHNICAL, AND CLERICAL STAFF; TECHNICAL ASSISTANT

SEC. 445. (a) Presidential advisory councils are authorized to appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, or otherwise obtain the services of, such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions, as prescribed by law.

(b) The [Assistant Secretary] *Commissioner* shall engage such personnel and technical assistance as may be required to permit Secretarial and [Assistant Secretary's] *Commissioner's* advisory councils to carry out their function as prescribed by law.

(c) Subject to regulations of the [Assistant Secretary] *Commissioner*, Presidential advisory councils are authorized to procure temporary and intermittent services of such personnel as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS-18 in section 5332 of such title.

PROFESSIONAL, TECHNICAL, AND CLERICAL STAFF; TECHNICAL ASSISTANCE

SEC. 445. (a) Presidential advisory councils are authorized to appoint, without regard to the provisions of title 5, United States Code,

governing appointments in the competitive service, or otherwise obtain the services of, such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions, as prescribed by law.

[illegible]) The Assistant Secretary shall engage such personnel and technical assistance as may be required to permit Secretarial and Assistant Secretary's advisory councils to carry out their function as prescribed by law.

(c) Subject to regulations of the Assistant Secretary, Presidential advisory councils are authorized to procure temporary and intermittent services of such personnel as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS–18 in section 5332 of such title.

(d) No employee of an advisory council, appointed and compensated pursuant to this section, shall be compensated at a rate in excess of that which such employee would receive if such employee were appointed subject to the appropriate provisions of title 5, United States Code, regarding appointments to, and compensation with respect to, the competitive service, except that—

(1) executive directors of Presidential advisory councils shall be compensated at the rate specified for employees placed in grade 18 of the General Schedule set forth in section 5332 of such title 5;

(2) executive directors of all other statutory advisory councils shall be compensated at the rate provided for employees in grade 15 of such General Schedule; and

(3) in accordance with regulations promulgated by the **[**Assistant Secretary**]** *Commissioner*, other employees of advisory councils shall be compensated at such rates as may be necessary to enable such advisory councils to accomplish their purposes.

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PART I—THE EDUCATION DIVISION

GENERAL PROVISIONS CONCERNING EDUCATION

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SUBPART 2—ADMINISTRATION: REQUIREMENTS AND LIMITATIONS

RULES: REQUIREMENTS AND ENFORCEMENT

SEC. 431. (a) Rules, regulations, guidelines, or other published interpretations or orders issued by the Department of Health, Education, and Welfare or the Office of Education, or by any official of such agencies, in connection with, or affecting, the administration of any applicable program shall contain immediately following each substantive provision of such rules, regulations, guidelines, interpretations, or orders, citations to the particular section or sections of statutory laws or other legal authority upon which such provision is based.

(b)(1) No standard, rule, regulation, or requirement of general applicability prescribed for the administration of any applicable program may take effect until thirty days after it is published in the Federal Register.

(2)(A) During the thirty-day period prior to the date upon which such standard, rule, regulation, or general requirement is to be effective, the Commissioner shall, in accordance with the provisions of section 553 of title 5, United States Code, offer any interested party an opportunity to make comment upon, and take exception to, such standard, rule, regulation, or general requirement and shall reconsider any such standard, rule, regulation, or general requirement upon which comment is made or to which exception is taken.

(B) If the Commissioner determines that the thirty-day requirement in paragraph (1) will cause undue delay in the implementation of a regulation, thereby causing extreme hardship for the intended beneficiaries of an applicable program, he shall notify the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate. If neither committee disagrees with the determination of the Commissioner within 10 days after such notice, the Commissioner may waive such requirement with respect to such regulation.

(c) All such rules, regulations, guidelines, interpretation, or orders shall be uniformly applied and enforced throughout the fifty States.

(d)(1) Concurrently with the publication in the Federal Register of any standard, rule, regulation, or requirement of general applicability as required in subsection (b) of this section, such standard, rule, regulation, or requirement shall be transmitted to the Speaker of the House of Representatives and the President of the Senate. Such standard, rule, regulation, or requirement shall become effective not less than forty-five days after such transmission unless the Congress shall, by concurrent resolution, find that the standard, rule, regulation, or requirement is inconsistent with the Act from which it derives its authority, and disapprove such standard, rule, regulation, or requirement.

(2) The forty-five-day period specified in paragraph (1) shall be deemed to run without interruption except during periods when either House is in adjournment sine die, in adjournment subject to the call of the Chair, or in adjournment to a day certain for a period of more than four consecutive days. In any such period of adjournment, the forty-five days shall continue to run, but if such period of adjournment is thirty calendar days, or less, the forty-five-day period shall not be deemed to have elapsed earlier than ten days after the end of such adjournment. In any period of adjournment which lasts more than thirty days, the forty-five-day period shall be deemed to have elapsed after thirty calender days has elapsed, unless, during those thirty calendar days, either the Committee on Education and Labor of the House of Representatives, or the Committee on Labor and Public Welfare of the Senate, or both, shall have directed its chairman, in accordance with said committee's rule, and the rules of that House, to transmit to the appropriate department or agency head a formal statement of objection to the proposed standard, rule, regulation, or requirement. Such letter shall suspend the effective date of that standard, rule, regulation, or requirement until not less than twenty days after the end of such adjournment, during which the Congress may

enact the concurrent resolution provided for in this subsection. In no event shall the standard, rule, regulation, or requirement go into effect until the forty-five-day period shall have elapsed, as provided for in this subsection, for both Houses of the Congress.

(e) Whenever a concurrent resolution of disapproval is enacted by the Congress under the provisions of this section, the agency which issued such standard, rule, regulation, or requirement may thereafter issue a modified standard, rule, regulation, or requirement to govern the same or substantially identical circumstances, but shall, in publishing such modification in the Federal Register and submitting it to the Speaker of the House of Representatives and the President of the Senate, indicate how the modification differs from the proposed standard, rule, regulation, or requirement of general applicability earlier disapproved, and how the agency believes the modification disposes of the findings by the Congress in the concurrent resolution of disapproval.

(f) For the purposes of subsections (d) and (e) of this section, activities under sections 404, 405, and 406 of this title, and under title IX of the Education Amendments of 1972 shall be deemed to be applicable programs.

(g) Not later than sixty days after the enactment of any part of any Act affecting the administration of any applicable program, the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a schedule in accordance with which the Commissioner has planned to promulgate rules, regulations, and guidelines implementing such Act or part of such Act. Such schedule shall provide that all such rules, regulations, and guidelines shall be promulgated within one hundred and eighty days after the submission of such schedule. Except as is provided in the following sentence, all such rules, regulations, and guidelines shall be promulgated in accordance with such schedule. If the Commissioner finds that, due to circumstances unforseen at the time of the submission of any such schedule, he cannot comply with a schedule submitted pursant to this subsection, he shall notify such committees of such findings and submit a new schedule. If both such committees notify the Commissioner of their approval of such new schedule, such rules, regulations, and guidelines shall be promulgated in accordance with such new schedule.

MAINTENANCE OF EFFORT DETERMINATION

"*Sec. 431A. (a) In prescribing regulations for carrying out section 403(a)(11) of the Elementary and Secondary Education Act of 1965 and section 307(b) of the Adult Education Act, the Commissioner shall—*

(1) determine the amount so expended on the basis of per pupil expenditure;

(2) prescribe the requirement for each such section is met if the amount expended in the preceding fiscal year was not less than 95 per centum of the amount so expended in the second preceding fiscal year; and

(3) require that each agency intending to use the provisions of this section notify the Commissioner.

(b) In any case in which the requirement set forth in clauses (1) and (2) of subsection (a) of this section cannot be met, the Commissioner shall reduce the amount of the Federal payment for the current fiscal year in the exact proportion to which the amount so expended was less than 100 per centum for the second preceding year as required by section 403(a)(11) of the Elementary and Secondary Education Act of 1965, and by section 307(b) of the Adult Education Act.

(c) The Commissioner may waive so much of the requirement of section 403(a)(11) of the Elementary and Secondary Education Act of 1965, of section 307(b) of the Adult Education Act, and of this section as he determines is equitable to reflect exceptional circumstances, including those resulting from decreasing enrollments or fiscal resources to the relevant local educational agency or the State, or both. The Commissioner shall establish objective criteria of general applicability to carry out the waiver authority contained in this subsection.

PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

SEC. 406. (a) To the extent consistent with the number of children in the school district of a local educational agency (which is a recipient of funds under this title or which serves the area in which a program or project assisted under this title is located) who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with the appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral and nonideological services, materials, and equipment including the repair, minor remodeling, or construction of public school facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such services, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this title.

(b) Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors (pursuant to criteria supplied by the Commissioner) which relate to such expenditures, and when funds available to a local educational agency under this title are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance areas, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

(c)(1) The control of funds provided under this title and title to materials equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property.

(2) *The provisions of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services is independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this title shall not be commingled with State or local funds.*

(d) If a State is prohibited by law from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

(e) If the Commissioner determines that a State or a local educational agency has substantially failed to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, he *may waive such requirements and* shall arrange for the provisions of services to such children through arrangements which shall be subject to the requirements of this section.

(f) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services from the appropriate allotment of the State under this title.

(g)(1) The Commissioner shall not take any final action under this section until he has afforded the State educational agency and local educational agency affected by such action at least sixty days notice of his proposed action and an opportunity for a hearing with respect thereto on the record.

(2) If a State or local educational agency is dissatisfied with the Commissioner's final action after a hearing under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(3) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(4) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

SEC. 402. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

SUPPORT FOR IMPROVEMENT OF POSTSECONDARY EDUCATION

SEC. 404. (a) Subject to the provisions of subsection (b), the Secretary is authorized to make grants to, and contracts with, institutions of postsecondary education (including combinations of such institutions) and other public and private educational institutions and agencies (except that no grant shall be made to an educational institution or agency other than a nonprofit institution or agency) to improve postsecondary educational opportunities by providing assistance to such educational institutions and agencies for—

(1) encouraging the reform, innovation, and improvement of postsecondary education, and providing equal educational opportunity for all;

(2) the creation of institutions and programs involving new paths to career and professional training, and new combinations of academic and experimental learning;

(3) the establishment of institutions and programs based on the technology of communications;

(4) the carrying out in postsecondary educational institutions of changes in internal structure and operations designed to clarify institutional priorities and purposes;

(5) the design and introduction of cost-effective methods of instruction and operation;

(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs;

(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and

(8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto.

(b) No grant shall be made or contract entered into under subsection (a) for a project or program with any institution of postsecondary education unless it has been submitted to each appropriate State Commission established under section 1202 of the Higher Education Act of 1965, and an opportunity afforded such Commission to submit its comments and recommendations to the Secretary.

(c) For the purposes of this section, the authority granted to the Commissioner in part D of this Act shall apply to the Secretary.

(d) The Secretary may appoint, for terms not to exceed three years, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not more than five technical employees to administer this section who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(e) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

and for each of the succeeding fiscal years ending prior to October 1, 1982, for the purposes of this section.

SEC. 403—NATIONAL INSTITUTE OF EDUCATION

SEC. 405. (a)(1) The Congress hereby declares it to be the policy of the United States to provide to every person an equal opportunity to receive an education of high quality regardless of his race, color, religion, sex, national origin, or social class. Although the American educational system has pursued this objective, it has not yet attained that objective. Inequalities of opportunity to receive high quality education remain pronounced. To achieve quality will require far more dependable knowledge about the processes of learning and education than now exists or can be expected from present research and experimentation in this field. While the direction of the education system remains primarily the responsibility of State and local governments the Federal Government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry into the educational process.

(2) The Congress further declares it to be the policy of the United States to—

(i) help to solve or to alleviate the problems of, and promote the reform and renewal of American education;

(ii) advance the practice of education, as an art, science, and profession;

(iii) strengthen the scientific and technological foundations of education; and

(iv) build an effective educational research and development system.

(b)(1) In order to carry out the policy set forth in subsection (a), there is established the National Institute of Education (hereinafter referred to as the "Institute") which shall consist of a National Council on Educational Research (referred to in this section as the "Council") and a Director of the Institute (hereinafter referred to as the "Director"). The Institute shall have only such authority as may be vested therein by this section.

(2) The Institute shall, in accordance with the provisions of this section, seek to improve education [, including career education, in the United States through—] *in the United States through concentrating the resources of the Institute on priority research and development needs relating to—*

[(A) helping to solve or to alleviate the problems of, and achieve the objectives of American education;

[(B) advancing the practice of education, as an art, science, and profession;

[(C) the strengthening of the scientific and technological foundations of education; and

[(D) building an effective educational research and development system.]

(A) improvement in student achievement in the basic educational skills, including reading and mathematics;

(B) overcoming problems of finance, productivity, and management in educational institutions;

(C) improving the ability of schools to meet their responsibilities to provide equal educational opportunities for students of limited English-speaking ability, women, and students who are socially, economically, or educationally disadvantaged;

(c)(1) The Council shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate, the Director, and such other ex officio members who are officers of the United States as the President may designate. Eight members of the Council (excluding ex officio members) shall constitute a quorum. The Chairman of the Council shall be designated from among its appointed members by the President. Ex officio members shall not have a vote on the Council.

(2) The term of office of the members of the Council (other than ex officio members) shall be three years, except that (A) the members first taking office shall serve as designated by the President, five for terms of three years, five for terms of two years, and five for terms of one year, and (B) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed. Any appointed member who has been a member of the Council for six consecutive years shall thereafter be ineligible for appointment to the Council during the two-year period following the expiration of such sixth year.

(3) The Council shall—

(A) establish general policies for, and review the conduct of, the Institute;

(B) advise the [Assistant Secretary] *Commissioner* and the Director of the Institute on development of programs to be carried out by the Institute;

(C) present to the [Assistant Secretary] *Commissioner* and the Director such recommendations as it may deem appropriate for the strengthening of education research, the improvement of methods of collecting and disseminating the findings of educational renewal and reform based upon the findings of educational research;

(D) conduct such studies as may be necessary to fulfill its functions under this section;

(E) prepare an annual report to the [Assistant Secretary] *Commissioner* on the current status and needs of educational research in the United States;

(F) submit an annual report to the President on the activities of the Institute, and on education and educational research in general, (i) which shall include such recommendations and comments as the Council may deem appropriate, and (ii) shall be submitted to the Congress not later than March 31 of each year; and

(G) meet at the call of the Chairman, except that it shall meet (i) at least four time during each fiscal year, or (ii) whenever one-third of the members request in writing that a meeting be held.

The Director shall make available to the Council such information and assistance as may be necessary to enable the Council to carry out its functions.

(d)(1) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be compensated at the rate provided for level V of the

Executive Schedule under section 5316 of title 5, United States Code, and shall perform such duties and exercise such powers and authorities as the Council, subject to the general supervision of the [Assistant Secretary,] *Commissioner* may prescribe. The Director shall be responsible to the [Assistant Secretary] *Commissioner* and shall report to the Secretary through the [Assistant Secretary] *Commissioner* and not to or through any other officer of the Department of Health, Education, and Welfare. The Director shall not delegate any of his functions to any other officer who is not directly responsible to him.

(2) There shall be a Deputy Director of the Institute (referred to in this section as the "Deputy Director") who shall be appointed by the President and shall serve at the pleasure of the President. The Deputy Director shall be compensated at the rate provided for grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code, and shall act for the Director during the absence or disability of the Director and exercise such powers and authorities as the Director may prescribe. The position created by this paragraph shall be in addition to the number of positions placed in grade 18 of the General Schedule under section 5108 of title 5, United States Code.

(e)(1) In order to carry out the objectives of the Institute, the Director is authorized, through the Institute, to conduct educational research; collect and disseminate the findings of educational research; train individuals in educational research; assist and foster such research; collection, dissemination, or training through grant, or technical assistance to, or jointly financed cooperative arrangements with, public or private organizations, institutions, agencies, or individuals; promote the coordination of such research and research support within the Federal Government; and may construct or provide (by grant or otherwise) for such facilities as he determines may be required to accomplish such purposes. As used in this subsection, the term "educational research" includes research (basic and applied), planning, surveys, evaluations, investigations, experiments, developments, and demonstrations in the field of education (including career education).

(2) Not less than 90 per centum of the funds appropriated pursuant to subsection (h) for any fiscal year shall be expended to carry out this section through grants or contracts with qualified public or private agencies and individuals [.] *: and not less than 25 per centum of the funds so appropriated shall be made available only for grants or contracts with regional educational laboratories and research and development centers pursuant to subsection (f) of this section.*

(3) The Director may appoint, for terms not to exceed three years, without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service and may compensate without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such technical or professional employees of the Institute as he deems necessary to accomplish its functions and also appoint and compensate without regard to such provisions not to exceed one-fifth of the number of full-time, regular technical or professional employees of the Institute.

(f)(1) In carrying out the functions of the Institute under this section, the Director shall make grants to, and enter into contracts with—

(A) regional educational educational laboratories established by public agencies or private nonprofit organizations; and

(B) research and development centers established by institutions of higher education

in accordance with the provisions of this subsection.

(2) No grant shall be made and no contract entered into under this subsection unless——

(A) proposals for assistance under this subsection are solicited from regional educational laboratories and research and development centers by the Director;

(B) proposals for such assistance are developed by the regional educational laboratories and the research and development centers in consultation with the Director;

(C) proposals are submitted in an application, containing or accompanied by such information as the Director may require, including assurances that the laboratory or center concerned will——

(i) be responsible for the conduct of the research and development activities and for the evaluation of such activities;

(ii) disseminate information developed as a result of such research and development activities including new educational methods, practices, techniques, and products;

(iii) provide technical assistance to appropriate educational agencies and institutions; and

(iv) provide training for individuals, emphasizing training opportunities for women and members of minority groups, in the use of new educational methods, practices, techniques, and products developed in connection with such activities;

(D) the Director determines that the proposed research activities will be consistent with the educational research and development program which is being conducted by the institute; and

(E) a Panel for the Review of Laboratory and Center Operations has reviewed the proposal and made recommendations on the proposal.

(3)(A) The Director shall establish a Panel for the Review of Laboratory and Center Operations composed of not less than ten members nor more than twenty members who shall be appointed by the Director from a list of nominees submitted by regional educational laboratories and research and development centers which have submitted applications under the provisions of this subsection, and by associations of professional, commercial, scholarly and educational associations, particularly associations or organizations engaged in educational research.

(B) The Panel shall——

(i) review, and prepare recommendations, on proposals submitted under this subsection;

(ii) review the operation of the laboratories and centers receiving assistance under this subsection and make recommendations for the improvement and continuation of individual laboratories and centers and for the support of new laboratories and centers; and

(iii) not later than January 13 of each year submit a report to the Director and to the Congress containing such recommendations as the panel deems appropriate.

(C) Members of the Panel shall serve for terms of five years except that—

(i) in the case of initial members not more than one-fifth of the number of members shall serve for terms of four years, not more than one-fifth of such members shall serve for a term of three years, not more than one-fifth of such members shall serve for a term of two years, and not more than one-fifth of such members shall serve for a term of one year;

(ii) any member appointed to fill a vacancy shall serve only for the unexpired portion of the term to which his predecessor was appointed; and

(iii) any member who is serving at the time his term expires shall serve until his successor has been appointed and qualifies.

(D) Each member of the panel who is not an officer or employee of the United States shall, while engaged in the business of the panel, be entitled to receive compensation at not to exceed the daily rate specified at the time of such service for Grade GS–18 under section 5332 of title 5, United States Code, including traveltime; and while so serving on the business of the panel away from his home or regular place of business, shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 for persons intermittently employed in the Government service.

(E) The Director, for the use of the Panel, is authorized—

(i) to appoint, without regard to the provisions of title 5 United States Code, governing appointments in the competitive service, and fix the compensation for, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general pay rates, such professional, technical and clerical personnel as may be necessary; and

(ii) to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(4) Whenever the Director disregards the recommendations of the panel established under paragraph (3), he shall report to the Panel in writing his reasons therefor.

(5) No regional educational laboratory or research and development center receiving assistance under this subsection shall by reason of the receipt of such assistance be ineligible for receiving any other assistance from the institute authorized by law.

(h) Where funds are advanced for a single project by more than one Federal agency for the purposes of this section, the National Institute of Education may act for all in administering the funds advanced.

(i) There are hereby authorized to be appropriated, without fiscal year limitations, $550,000,000, in the aggregate, for the period beginning July 1, 1972, and ending June 30, 1975, *such sums as may be necessary for fiscal year 1976 and for the period from July 1, 1976, through September 30, 1976, $500,000,000, in the aggregate, for the period beginning October 1, 1976, and ending September 30, 1979, and such sums as may be necessary for each of the succeeding fiscal years ending prior to October 1, 1982,* to carry out the functions of the Institute. Sums so appropriated shall, notwithstanding any other provision of law unless enacted in express limitation of this subsection, remain available for the purposes of this subsection until expended.

SEC. 404—REGULATIONS

SUBPART 2—ADMINISTRATION: REQUIREMENTS AND LIMITATIONS

RULES: REQUIREMENTS AND ENFORCEMENT

Sec. 431. (a)(1) For the purpose of this section the term 'regulation' means any rules, regulations, guidelines, interpretations, orders, or requirements of general applicability prescribed by the Commissioner.

[Sec. 431. (a)] *(2)* [Rules, regulations, guidelines, or other published interpretations or orders] *Regulations* issued by the Department of Health, Education, and Welfare or the Office of Education, or by any official of such agencies, in connection with, or affecting, the administration of any applicable program shall contain immediately following each substantive provision of such [rules, regulations, guidelines, interpretations, or orders,] *regulations* citations to the particular section or sections of statutory law or other legal authority upon which such provision is based.

(b)(1) No [standard, rule, regulation, or requirement of general applicability] *proposed regulation* prescribed for the administration of any applicable program may take effect until thirty days after it is published in the Federal Register.

(2)(A) During the thirty-day period prior to the date upon which such [standard, rule, regulation, or general requirement] *regulation* is to be effective, the Commissioner shall, in accordance with the provisions of section 553 of title 5, United States Code, offer any interested party an opportunity to make comment upon, and take exception to, such standard, rule, regulation, or general requirement and shall reconsider any such standard, rule, regulation, or general requirement upon which comment is made or to which exception is taken.

(B) If the Commissioner determines that the thirty-day requirement in paragraph (1) will cause undue delay in the implementation of a regulation, thereby causing extreme hardship for the intended beneficiaries of an applicable program, he shall notify the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate. If neither committee disagrees with the determination of the Commissioner within 10 days after such notice, the Commissioner may waive such requirement with respect to such regulation.

(c) All such [rules, regulations, guidelines, interpretations, or orders] *regulations* shall be uniformly applied and enforced throughout the fifty States.

(d)(1) Concurrently with the publication in the Federal Register of any [standard, rule, regulation, or requirement of general applicability] *regulation* as required in subsection (b) of this section, such [standard, rule, regulation, or requirement] *regulation* shall be transmitted to the Speaker of the House of Representatives and the President of the Senate. Such [standard, rule, regulation, or requirement] *regulation* shall become effective not less than forty-five days after such transmission unless the Congress shall, by concurrent resolution, find that the [standard, rule, regulation, or requirement] *regulation* is inconsistent with the Act from which it derives its authority, and disapprove such [standard, rule, regulation, or requirement] *regulation*.

(2) The forty-five-day period specified in paragraph (1) shall be deemed to run without interruption except during periods when either House is in adjournment sine die, in adjournment subject to the call of the Chair, or in adjournment to a day certain for a period of more than four consecutive days. In any such period of adjournment, the forty-five days shall continue to run, but if such period of adjournment is thirty calendar days, or less, the forty-five-day period shall not be deemed to have elapsed earlier than ten days after the end of such adjournment. In any period of adjournment which lasts more than thirty days, the forty-five-day period shall be deemed to have elapsed after thirty calendar days has elapsed, unless, during those thirty calendar days, either the Committee on Education and Labor of the House of Representatives, or the Committee on Labor and Public Welfare of the Senate, or both, shall have directed its chairman, in accordance with said committee's rules, and the rules of that House, to transmit to the appropriate department or agency head of formal statement of objection to the proposed [standard, rule, regulation, or requirement] *regulation*. Such letter shall suspend the effective date of the [standard, rule, regulation, or requirement] *regulation* until not less than twenty days after the end of such adjournment, during which the Congress may enact the concurrent resolution provided for in this subjection. In no event shall the [standard, rule, regulation, or requirement] *regulation* go into effect until the forty-five-day period shall have elapsed, as provided for in this subsection, for both Houses of the Congress.

(e) Whenever a concurrent resolution of disapproval is enacted by the Congress under the provisions of this section, the agency which issued such [standard, rule, regulation, or requirement] *regulation* may thereafter issue a modified [standard, rule, regulation, or requirement] *regulation* to govern the same or substantially identical circumstances, but shall, in publishing such modification in the Federal Register and submitting it to the Speaker of the House of Representatives and the President of the Senate, indicate how the modification differs from the [proposed standard, rule, regulation, or requirement of general applicability] *final regulation* earlier disapproved, and how the agency believes the modification disposes of the findings by the Congress in the concurrent resolution of disapproval.

(f) For the purposes of subsections (d) and (e) of this section, activities under sections 404, 405, and 406 of this title, and under title IX of the Education Amendments of 1972 shall be deemed to be applicable programs.

(g) Not later than sixty days after the enactment of any part of any Act affecting the administration of any applicable programs, the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a schedule in accordance with which the Commissioner has planned to promulgate [rules, regulations, and guidelines] *final regulation* implementing such Act or part of such Act. Such schedule shall provide that all such [rules, regulations, and guidelines] *final regulation* shall be promulgated within one hundred and eighty days after the submission of such schedule. Except as is provided in the following sentence, all such [rules, regulations, and guidelines] *final regulation* shall be promulgated in accordance with such schedule. If the Commissioner finds that, due to circumstances unforseen at the time of the submission of any such schedule, he cannot comply with a schedule submitted pursuant to this subsection, he shall notify such committees of such findings and submit a new schedule. If both such committees notify the Commissioner of their approval of such new schedule, such [rules, regulations, and guidelines] *final regulations* shall be promulgated in accordance with such new schedule.

[PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION]

REGULATIONS: REQUIREMENTS AND ENFORCEMENT TECHNICAL REVISION RELATING TO PROHIBITION AGAINST FEDERAL CONTROL

SEC. 432. [No provision of the Act of September 30, 1950, Public Law 874, Eighty-first Congress; the National Defense Education Act of 1958; the Act of September 23, 1950, Public Law 815, Eighty-first Congress; the Higher Education Facilities Act of 1963; the Elementary and Secondary Education Act of 1965; the Higher Education Act of 1965; the International Education Act of 1966; the Emergency School Aid Act; or the Vocational Education Act of 1963] *No provision of any applicable program* shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system, or to require the assignment or transportation of students or teachers in order to overcome racial imbalance.

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SEC. 405—TECHNICAL REVISION RELATING TO PROHIBITION AGAINST FEDERAL CONTROL

PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

SEC. 432. *No provision of any applicable program* [No provision of the Act of September 30, 1950, Public Law 874, Eighty-first Congress; the National Defense Education Act of 1958; the Act of September 23, 1950, Public Law 815, Eighty-first Congress; the Higher Education Facilities Act of 1963; the Elementary and Secondary Education Act of 1965; the Higher Education Act of 1965; the International Education Act of 1966; the Emergency School Aid Act; or the Vocational Education Act of 1963] shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system, or to require the assignment or transportation of students or teachers in order to overcome racial imbalance.

SUPPLEMENTAL VIEWS OF SENATORS BEALL AND RANDOLPH

We support S. 2657. The Committee under the leadership of its Chairman, Senator Pell, has reported a measure which merits the support of the full Senate.

One of the most difficult issues the Committee faced was the so-called "governance issue". Distilled to its essence, this issue comes down to who makes the decision on the distribution of federal vocational education funds among institutions and levels of education in each state.

Under present law, states are required to distribute at least fifteen per cent to postsecondary education. The General Accounting Office found that all states were not meeting this minimum.

The reported bill addresses this issue by mandating a state planning commission in each of the states. This commission would be responsible for "the development and preparation of comprehensive statewide long-range plans and annual program plans" for vocational education in that state. Where the membership of the state board meets the requirement of the planning commission, the state board, under the reported bill, may serve as the planning commission.

Prior to reporting S. 2657, the Committee adopted a "Hathaway Amendment" which, although improving the original governance issue provisions, does not, in my judgment, go far enough. The Hathaway Amendment would waive the requirement for a state to establish a state planning commission if all concerned state agencies certify that they actively participated in all phases of the development, preparation, implementation, and evaluation of the state plan. However, under the Hathaway Amendment, if the representative of any state agency unreasonably refused to certify the required full participation, a state would have to establish a state planning commission. Further, to secure such waiver, the Commissioner of Education would also have to determine whether such certification "substantially fulfills the purpose" of the planning commission provisions. This criteria is vague and could allow the Commissioner of Education to refuse certification, even if all the state participants concurred.

However, our objections are more central. The federal government should not dictate state governance or structure. This is particularly true when one federally mandated and funded mechanism—the state advisory council—is in place and with appropriate adjustments and strengthening could achieve the objective of the Committee. Some contend that many of the advisory councils are not effective. Our retort is that we should make them effective or repeal them. The answer is not and should not be to mandate yet another layer of bureaucracy and divert additional resources from students and programs.

During Floor consideration, Senator Beall intends to offer an alternative. His amendment would require representation of the various levels of education on the Advisory Council. It would also involve the Advisory Council in the planning process by requiring the Council to submit its recommendation prior to the submission of the state plan by the State Board. The Advisory Council would make recommendations on areas for the concentration of effort, program priorities related thereto, and the allocation of funds among the various levels of education. While all of these new responsibilities are advisory in nature, the State Board is expected to consider carefully these recommendations in formulating the state plan. And of particular significance, the State Board, if it decided not to follow the Advisory Council's recommendation would be required to explain its rationale and reasons for doing so.

In summary, this proposal promises to achieve the objectives of the Committee's planning commission, without forcing another federally mandated structure on the states and with less money.

In Committee, a motion to strike the planning commission failed by a single vote. This illustrates the strong feelings that exist on this issue. We urge the Senate to support the compromise proposal which will preserve the objectives of the Committee without its objectionable features.

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